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LEGISLATIVE HISTORY  
Public Law 88-452  
S. 2642

Index and summary of S. 2642 : : : : : : : : : : : : : : : : 1  
Digest of Public Law 88-452. : : : : : : : : : : : : : : : : 2





# INDEX AND SUMMARY OF S. 2642

- Mar. 16, 1964 Sen. McNamara and others introduced and Sen. McNamara discussed S. 2642 which was referred to the Senate Labor and Public Welfare Committee. Print of bill and remarks of Sen. McNamara.
- Rep. Landrum introduced H. R. 10440 which was referred to the House Education and Labor Committee. Print of bill as introduced.
- May 12, 1964 House subcommittee voted to report H. R. 10440 to the full committee.
- May 21, 1964 Rep. Frelinghuysen inserted an analysis of H. R. 10440.
- May 26, 1964 House committee adopted H. R. 10440, amended, clean bill to be introduced.
- Rep. Landrum introduced H. R. 11377 which was referred to the House Education and Labor Committee. Print of bill as introduced.
- X June 3, 1964 House committee reported H. R. 11377 without amendment. H. Report No. 1458. Print of bill and report.
- Several Representatives discussed merits of bill.
- June 15, 1964 Summary of H. R. 11377 as reported by the House committee.
- June 18, 1964 Sen. Yarborough inserted Secretary of Labor Wirtz' testimony on S. 2642.
- June 30, 1964 Senate subcommittee approved S. 2642 with amendments.
- f July 8, 1964 Senate committee reported S. 2642 with amendment. S. Report No. 1218. Print of bill and report. (Report printed with date of July 21, 1964).
- July 21, 1964 Senate began debate on S. 2642.
- July 22, 1964 Senate continued debate on S. 2642.
- ✓ July 23, 1964 Senate passed S. 2642 with amendments. Print of bill as passed by Senate. Compilation of materials relevant to S. 2643 - S. Document 86.
- July 28, 1964 House Rules Committee granted an open rule on H. R. 11377.
- July 29, 1964 House Rules Committee reported a resolution for consideration of H. R. 11377. H. Res. 806.





INDEX AND SUMMARY OF S. 2642, continued

Aug. 5, 1964 House began debate on H. R. 11377.

Aug. 6, 1964 House continued debate on H. R. 11377.

Aug. 7, 1964 House concluded debate on H. R. 11377.

✓ Aug. 8, 1964 House passed S. 2642 with amendment, substituting the language of H. R. 11377. Print of S. 2642 as passed by House.

H. R. 11377 indefinitely postponed due to passage of S. 2642.

Aug. 10, 1964 Senate agreed to limit debate to one hour on agreeing to House amendment to S. 2642.

✓ Aug. 11, 1964 Senate concurred in House amendment to S. 2642.

Aug. 20, 1964 Approved: Public Law 88-452.

HEARINGS:

Senate Labor and Public Welfare Committee on S. 2642.

House Education and Labor Committee on H. R. 10440, Parts 1, 2, and 3.



1937 and 1938, continued

- Aug. 2, 1937. House began debate on H. R. 11377.  
Aug. 6, 1937. House continued debate on H. R. 11377.  
Aug. 7, 1937. House concluded debate on H. R. 11377.  
Aug. 8, 1937. House passed H. R. 11377 with amendment, substituting the language of H. R. 11377. H. R. 11377 as amended by House.  
Aug. 8, 1937. H. R. 11377 indefinitely postponed and its passage deferred to 1938.  
Aug. 10, 1937. Senate agreed to limit debate to two hours on agreement to House amendment to H. R. 11377.  
Aug. 11, 1937. Senate concurred in House amendment to H. R. 11377.  
Aug. 20, 1937. Conference: Public Law 50-452.

1938

- House Labor and Public Welfare Committee on H. R. 11377.  
House Education and Labor Committee on H. R. 11377, Parts I, 2, and 3.

DIGEST OF PUBLIC LAW 88-452

ECONOMIC OPPORTUNITY ACT OF 1964.

Establishes in the Executive Office of the President a new agency to be known as the Office of Economic Opportunity to be headed by a Director. Authorizes the Director, with the President's approval, to arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions and, as necessary, to delegate any of his powers under the Act. Authorizes the Director to allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under the Act.

Establishes an Economic Opportunity Council, which includes the Secretary of Agriculture, to consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

Establishes a National Advisory Council composed of representatives of the general public and appropriate fields of endeavor to review and make recommendations on the operations and activities of the Office of Economic Opportunity.

Authorizes special programs to combat poverty in rural areas. Authorizes the Director to make loans having a maximum maturity of 15 years and in amounts not exceeding \$2,500 to any low income rural family, who is not qualified to obtain a loan under other Federal programs, to acquire or improve real estate, operate or improve the operation of farms not larger than family sized, participate in cooperative associations, and to finance nonagricultural enterprises which will enable such families to supplement their income.

Authorizes the Director to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies or facilities predominantly to low-income rural families.

Requires the Director to develop and implement as soon as practicable a program to assist the States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant agricultural employees and their families in housing, sanitation, education, and day care of children. Authorizes



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the appropriation of \$35 million for this rural areas program in fiscal year 1965.

Authorizes the Secretary of Agriculture to make indemnity payments to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use.

Creates a Job Corps of young men and women aged 16 through 21 to provide them with education, vocational training, and useful work experience, including work directed toward the conservation of natural resources. Authorizes the Director to enter into agreements with Federal, State, and local agencies for the establishment and operation of conservation camps and training centers in both rural and urban areas.

Authorizes grants and assistance to States and public or private nonprofit agencies for urban and rural communities to mobilize their resources to combat poverty through community action programs in such fields as employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families. Requires the Director to establish criteria for the equitable distribution of community action assistance between urban and rural areas.

Authorizes grants to States for providing basic education to adults 18 years of age or over who are unable to read or write.



Under the direction of the National Youth Council, the National Youth Conference is held annually to discuss the problems of the youth of the United States. The conference is held in the National Youth Conference Center, which is a part of the National Youth Council. The conference is held in the National Youth Conference Center, which is a part of the National Youth Council.

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88TH CONGRESS  
2D SESSION

# S. 2642

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## IN THE SENATE OF THE UNITED STATES

MARCH 16 (legislative day, MARCH 9), 1964

Mr. McNAMARA (for himself, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CHURCH, Mr. CLARK, Mr. DOUGLAS, Mr. ENGLE, Mr. HART, Mr. HUMPHREY, Mr. INOUE, Mr. KENNEDY, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MCGEE, Mr. MCGOVERN, Mr. METCALF, Mr. MORSE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SMATHERS, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

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## A BILL

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That this Act may be cited as the "Economic Opportunity  
4     Act of 1964".

### FINDINGS AND DECLARATION OF PURPOSE

6     SEC. 2. Although the economic well-being and pros-  
7     perity of the United States have progressed to a level sur-



1 passing any achieved in world history, and although these  
2 benefits are widely shared throughout the Nation, poverty  
3 continues to be the lot of a substantial number of our people.  
4 The United States can achieve its full economic and social  
5 potential as a nation only if every individual has the oppor-  
6 tunity to contribute to the full extent of his capabilities and  
7 to participate in the working of our society. It is therefore  
8 the policy of the United States to eliminate the paradox of  
9 poverty in the midst of plenty in this Nation by opening to  
10 everyone the opportunity for education and training, the  
11 opportunity to work, and the opportunity to live in decency  
12 and dignity. It is the purpose of this Act to strengthen,  
13 supplement, and coordinate efforts in furtherance of that  
14 policy.

## 15 TITLE I—YOUTH PROGRAMS

### 16 PART A—JOB CORPS

#### 17 STATEMENT OF PURPOSE

18 SEC. 101. The purpose of this part is to prepare for  
19 the responsibilities of citizenship and to increase the em-  
20 ployability of youths aged sixteen through twenty-one by  
21 providing them in residential centers with education, voca-  
22 tional training, useful work experience, including work di-  
23 rected toward the conservation of natural resources, and  
24 other appropriate activities.

## ESTABLISHMENT OF JOB CORPS

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part;

(b) provide education and vocational training to enrollees in the Corps or, where appropriate, arrange for the provision thereof by another Federal agency or by State or local public educational agencies;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for

1 the selection of enrollees and to govern their conduct  
2 after enrollment, including appropriate regulations as to  
3 the circumstances under which enrollment may be ter-  
4 minated.

#### 5 COMPOSITION OF CORPS

6 SEC. 104. (a) The Corps shall be composed of male  
7 individuals who are permanent residents of the United States,  
8 who have attained age sixteen but have not attained age  
9 twenty-two at the time of enrollment, and who meet the  
10 standards for enrollment prescribed by the Director. Par-  
11 ticipation in the Corps shall not relieve any enrollee of ob-  
12 ligations under the Universal Military Training and Service  
13 Act (50 U.S.C. App. 451 et seq.).

14 (b) In order to enroll as a member of the Corps, an  
15 individual must agree to comply with rules and regulations  
16 promulgated by the Director for the government of the  
17 Corps.

18 (c) The total enrollment of any individual in the Corps  
19 shall not exceed two years except as the Director may deter-  
20 mine in special cases.

#### 21 ALLOWANCES AND MAINTENANCE

22 SEC. 105. (a) Enrollees may be provided with such  
23 living, travel, and leave allowances, and such quarters, sub-  
24 sistence, transportation, equipment, clothing, recreational  
25 services, medical, dental, hospital, and other health services,



1 and other expenses as the Director may deem necessary or  
2 appropriate for their needs. Transportation and travel  
3 allowances may also be provided, in such circumstances as  
4 the Director may determine, for applicants for enrollment to  
5 or from places of enrollment, and for former enrollees from  
6 places of termination to their homes.

7 (b) Upon termination of his enrollment in the Corps,  
8 each enrollee shall be entitled to receive a readjustment al-  
9 lowance at a rate not to exceed \$50 for each month of  
10 satisfactory participation therein as determined by the  
11 Director: *Provided, however,* That under such circumstances  
12 as the Director may determine, a portion of the readjustment  
13 allowance of an enrollee not exceeding \$25 for each month  
14 of satisfactory service may be paid during the period of  
15 service of the enrollee directly to a dependent (as that term  
16 is defined in section 401 of title 37, United States Code) and  
17 any sum so paid shall be supplemented by the payment of  
18 an equal amount to the dependent by the Director. In the  
19 event of the enrollee's death during the period of his service,  
20 the amount of any unpaid readjustment allowance shall be  
21 paid in accordance with the provisions of section 1 of the  
22 Act of August 3, 1950 (5 U.S.C. 61f).

23 APPLICATION OF PROVISIONS OF FEDERAL LAW

24 SEC. 106. (a) Except as otherwise specifically pro-  
25 vided in this part, an enrollee shall be deemed not to be a

1 Federal employee and shall not be subject to the provisions  
2 of laws relating to Federal employment, including those re-  
3 lating to hours of work, rates of compensation, leave, unem-  
4 ployment compensation, and Federal employee benefits.

5 (b) Enrollees shall be deemed to be employees of the  
6 United States for the purposes of the Internal Revenue Code  
7 of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social  
8 Security Act (42 U.S.C. 401 et seq.), and any service per-  
9 formed by an individual as an enrollee shall be deemed for  
10 such purposes to be performed in the employ of the United  
11 States.

12 (c) (1) Enrollees under this part shall, for the purposes  
13 of the administration of the Federal Employees' Compensa-  
14 tion Act (5 U.S.C. 751 et seq.), be deemed to be civil  
15 employees of the United States within the meaning of the  
16 term "employee" as defined in section 40 of such Act  
17 (5 U.S.C. 790) and the provisions thereof shall apply except  
18 as hereinafter provided.

19 (2) For purposes of this subsection:

20 (A) The term "performance of duty" in the Fed-  
21 eral Employees' Compensation Act shall not include  
22 any act of an enrollee—

23 (i) while he is on authorized leave or pass; or

24 (ii) while he is absent from his assigned post  
25 of duty, except while participating in an activity

1 authorized by or under the direction or supervision  
2 of the Corps.

3 (B) In computing compensation benefits for dis-  
4 ability or death under the Federal Employees' Compens-  
5 ation Act, the monthly pay of an enrollee shall be  
6 deemed to be \$150, except that with respect to com-  
7 pensation for disability accruing after the individual con-  
8 cerned reaches the age of twenty-one, such monthly pay  
9 shall be deemed to be that received under the entrance  
10 salary for GS-2 under the Classification Act of 1949  
11 (5 U.S.C. 1071 et seq.).

12 (C) The term "injury" as defined in section 40  
13 of the Federal Employees' Compensation Act (5 U.S.C.  
14 790) shall include disease, illness, or injury if it arises  
15 out of service in the Corps.

16 (D) Compensation for disability, including medi-  
17 cal care, shall not begin to accrue until the day follow-  
18 ing the date on which the enrollment of the injured  
19 enrollee is terminated.

20 (d) An enrollee shall be deemed to be an employee  
21 of the Government for the purposes of the Federal Tort  
22 Claims Act (28 U.S.C. 2671 et seq.).

23 (e) Personnel of the uniformed services who are de-  
24 tailed or assigned to duty in the performance of agreements  
25 made by the Director for the support of the Corps shall



1 not be counted in computing strengths under any law limit-  
2 ing the strength of such services or in computing the per-  
3 centage authorized by law for any grade therein.

#### 4 PART B—WORK-TRAINING PROGRAMS

##### 5 STATEMENT OF PURPOSE

6 SEC. 111. The purpose of this part is to provide useful  
7 work experience opportunities for unemployed youths,  
8 through participation in State and community work-training  
9 programs, so that their employability may be increased or  
10 their education resumed or continued and so that public  
11 agencies and private nonprofit organizations will be enabled  
12 to carry out programs in the field of conservation and develop-  
13 ment of natural resources and recreational areas, or other  
14 programs which will permit or contribute to an undertaking  
15 or service in the public interest that would not otherwise be  
16 provided.

##### 17 DEVELOPMENT OF PROGRAMS

18 SEC. 112. In order to carry out the purposes of this  
19 part, the Director shall assist and cooperate with State and  
20 local agencies and private nonprofit organizations in devel-  
21 oping programs for the employment of young people in  
22 State and community activities hereinafter authorized, which,  
23 whenever appropriate, shall be coordinated with programs of  
24 training and education provided by local public educational  
25 agencies.

## FINANCIAL ASSISTANCE

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the develop-

1       ment, management, or protection of State or community  
2       recreational areas;

3           (4) the program will not result in the displacement  
4       of employed workers or impair existing contracts for  
5       services;

6           (5) the rates of pay and other conditions of employ-  
7       ment will be appropriate and reasonable in the light of  
8       such factors as the type of work performed, geographical  
9       region, and proficiency of the employee;

10          (6) to the maximum extent feasible, the program  
11       will be coordinated with vocational training and educa-  
12       tional services adapted to the special needs of enrollees  
13       in such program and sponsored by State or local public  
14       educational agencies: *Provided, however,* That where  
15       such services are inadequate or unavailable, the program  
16       may make provision for the enlargement, improvement,  
17       development, and coordination of such services with the  
18       cooperation of, or where appropriate pursuant to agree-  
19       ment with, the Secretary of Health, Education, and  
20       Welfare; and

21          (7) the program includes standards and procedures  
22       for the selection of applicants, including provisions  
23       assuring full coordination and cooperation with local and  
24       other authorities to encourage students to resume or  
25       maintain school attendance.



1 (b) In approving projects under this part, the Director  
2 shall give priority to projects with high training potential.

3 ENROLLEES IN PROGRAMS

4 SEC. 14. (a) Participation in programs under this part  
5 shall be limited to young men and women who are permanent  
6 residents of the United States, who have attained age sixteen  
7 but have not attained age twenty-two, and whose participa-  
8 tion in such programs will be consistent with the purposes  
9 of this part.

10 (b) Enrollees shall be deemed not to be Federal em-  
11 ployees and shall not be subject to the provisions of laws  
12 relating to Federal employment, including those relating to  
13 hours of work, rates of compensation, leave, unemployment  
14 compensation, and Federal employee benefits.

15 (c) Where appropriate to carry out the purposes of this  
16 Act, the Director may provide for testing, counseling, job  
17 development, and referral services to youths through public  
18 agencies or private nonprofit organizations.

19 LIMITATIONS ON FEDERAL ASSISTANCE

20 SEC. 115. Federal assistance to any program pursuant  
21 to this part paid for the period ending two years after the  
22 date of enactment of this Act, or June 30, 1966, whichever  
23 is later, shall not exceed 90 per centum of the costs of such  
24 program, including costs of administration, and such assist-  
25 ance paid for periods thereafter shall not exceed 75 per

1 centum of such costs, unless the Director determines, pur-  
2 suant to regulations adopted and promulgated by him estab-  
3 lishing objective criteria for such determinations, that assist-  
4 ance in excess of such percentages is required in furtherance  
5 of the purposes of this part. Non-Federal contributions may  
6 be in cash or in kind, fairly evaluated, including but not  
7 limited to plant, equipment, and services.

8                   EQUITABLE DISTRIBUTION OF ASSISTANCE

9       SEC. 116. The Director shall establish criteria designed  
10 to achieve an equitable distribution of assistance under this  
11 part among the States. In developing such criteria, he shall  
12 consider among other relevant factors the ratios of popula-  
13 tion, unemployment, and family income levels. Not more  
14 than  $12\frac{1}{2}$  per centum of the sums appropriated or allocated  
15 for any fiscal year to carry out the purposes of this part shall  
16 be used within any one State.

17                   PART C—WORK-STUDY PROGRAMS

18                               STATEMENT OF PURPOSE

19       SEC. 121. The purpose of this part is to stimulate and  
20 promote the part-time employment of students in institutions  
21 of higher education who are from low-income families and  
22 are in need of the earnings from such employment to pursue  
23 courses of study at such institutions.

## 1        AGREEMENTS FOR PAYMENT OF COMPENSATION

2        SEC. 122. The Director is authorized to enter into agree-  
3        ments with institutions of higher education (as defined by  
4        section 103 of the National Defense Education Act of 1958  
5        (20 U.S.C. 403) ) for payment by him of part of the com-  
6        pensation of students employed under work-study programs  
7        as hereinafter provided.

## 8                        CONDITIONS OF AGREEMENTS

9        SEC. 123. An agreement entered into pursuant to sec-  
10        tion 122 shall—

11                (a) provide for the operation by the institution of  
12        a program for the part-time employment of its students  
13        in work (1) for the institution itself, or (2) under  
14        arrangements satisfactory to the Director, for public  
15        agencies or private nonprofit organization whose activi-  
16        ties contribute to the objectives of this Act: *Provided,*  
17        *however,* That no such work shall involve the construc-  
18        tion, operation, or maintenance of any facility used or  
19        to be used for sectarian instruction or as a place for  
20        religious worship.

21                (b) provide that employment under such work-  
22        study program shall be furnished only to a student who  
23        (1) is from a low-income family, (2) is in need of



1 the earnings from such employment in order to pursue  
2 a course of study at such institution, (3) is capable,  
3 in the opinion of the institution, of maintaining good  
4 standing in such course of study while employed under  
5 the program covered by the agreement, and (4) has  
6 been accepted for enrollment as a full-time student at  
7 the institution or, in the case of a student already en-  
8 rolled in and attending the institution, is in good stand-  
9 ing and in full-time attendance there either as an under-  
10 graduate, graduate, or professional student;

11 (c) provide that no student shall be employed un-  
12 der such work-study program for more than fifteen hours  
13 in any week in which classes in which he is enrolled  
14 are in session;

15 (d) provide that in each fiscal year during which  
16 the agreement remains in effect, the institution shall  
17 expend (from sources other than payments by the Direc-  
18 tor under this part) for the employment of its students  
19 (whether or not in employment eligible for assistance  
20 under this part) an amount that is not less than its  
21 average annual expenditure for such employment during  
22 the three fiscal years preceding the fiscal year in which  
23 the agreement is entered into;

24 (e) provide for payment by the Director of a por-  
25 tion of the compensation of each student employed under

1 such work-study program in accordance with the agree-  
2 ment, but not to exceed 90 per centum of such com-  
3 pensation for work performed during the period ending  
4 two years after the date of enactment of this Act, or  
5 June 30, 1966, whichever is later, and 75 per centum  
6 thereafter;

7 (f) provide, subject to section 124, that the institu-  
8 tion undertakes to act, if so requested by the Director,  
9 as his agent for the payment of the Director's share of  
10 the student's compensation;

11 (g) include provisions designed to make employ-  
12 ment under such work-study program, or equivalent  
13 employment offered or arranged for by the institution,  
14 reasonably available (to the extent of available funds)  
15 to all eligible students in the institution in need thereof;  
16 and

17 (h) include such other provisions as the Director  
18 shall deem necessary or appropriate to carry out the  
19 purposes of this part.

20 PAYMENTS TO STUDENTS

21 SEC. 124. (a) The Director's share of the compensa-  
22 tion of a student employed under a work-study program cov-  
23 ered by an agreement under this part may be paid directly  
24 by him to the student; or it may be paid through the em-  
25 ploying institution as paying agent for the Director. If the

1 institution is utilized as paying agent, the Director's share  
2 may be paid to the institution in advance or by way of  
3 reimbursement, in accordance with regulations prescribed  
4 by the Director, and the Director may authorize the institu-  
5 tion to combine the Director's share and the remainder of  
6 the student's compensation in a single payment to the  
7 student.

8 (b) Regardless of the method of payment under this  
9 section, students employed under a work-study program  
10 covered by an agreement under this part shall be deemed not  
11 to be Federal employees and shall not be subject to the  
12 provisions of laws relating to Federal employment, includ-  
13 ing those relating to hours of work, rates of compensation,  
14 leave, unemployment compensation, and Federal employee  
15 benefits.

16 (c) Nothing in this part shall be construed as restricting  
17 the source (other than this part) from which the institution  
18 may pay its share of the compensation of a student em-  
19 ployed under a work-study program covered by an agree-  
20 ment under this part.

21 EQUITABLE DISTRIBUTION OF ASSISTANCE

22 SEC. 125. The Director shall establish criteria designed  
23 to achieve an equitable distribution of assistance under this  
24 part among the States and among institutions of higher edu-  
25 cation within each State. In developing such criteria, he



1 shall consider among other relevant factors the ratios of full-  
2 time students in institutions of higher education, unemploy-  
3 ment, and family income levels. Not more than  $12\frac{1}{2}$  per  
4 centum of the sums appropriated or allocated for any fiscal  
5 year to carry out the purposes of this part shall be used within  
6 any one State.

## 7 TITLE II—URBAN AND RURAL COMMUNITY 8 ACTION PROGRAMS

### 9 STATEMENT OF PURPOSE

10 SEC. 201. The purpose of this title is to provide stimula-  
11 tion and incentive for urban and rural communities to  
12 mobilize their resources, public and private, to combat pov-  
13 erty through community action programs.

### 14 COMMUNITY ACTION PROGRAMS

15 SEC. 202. (a) The term “community action program”  
16 means a program—

17 (1) which mobilizes and utilizes, in an attack on  
18 poverty, public and private resources of any urban or  
19 rural, or combined urban and rural, geographical area  
20 (referred to in this title as a “community”), including  
21 but not limited to a State, metropolitan area, county,  
22 city, town, multicounty unit, or multicounty unit;

23 (2) which provides services, assistance, and other  
24 activities of sufficient variety, scope, and size to give

1        promise of progress toward elimination of poverty  
2        through developing employment opportunities, improv-  
3        ing human performance, motivation, and productivity,  
4        and bettering the conditions under which people live,  
5        learn, and work;

6            (3) which is developed, conducted, and adminis-  
7        tered with the maximum feasible participation of resi-  
8        dents of the areas and members of the groups referred  
9        to in section 204 (a) ; and

10           (4) which is conducted, administered, or co-  
11        ordinated by a public or private nonprofit agency (re-  
12        ferred to in this title as a "community action organiza-  
13        tion") which is broadly representative of the com-  
14        munity.

15        (b) The Director is authorized to prescribe such addi-  
16        tional criteria for community action programs as he shall  
17        deem appropriate.

18            FINANCIAL ASSISTANCE FOR DEVELOPMENT OF  
19            COMMUNITY ACTION PROGRAMS

20        SEC. 203. The Director is authorized to make grants to,  
21        or to contract with, community action organizations, or, if  
22        he deems it necessary to effectuate the purposes of this title,  
23        other appropriate public agencies or private nonprofit  
24        organizations, to pay part or all of the costs of development  
25        of community action programs.

1 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRA-  
2 TION OF COMMUNITY ACTION PROGRAMS

3 SEC. 204. (a) The Director is authorized to make grants  
4 to, or to contract with, community action organizations or  
5 other appropriate public agencies or private nonprofit organi-  
6 zations to pay part or all of the costs of community action  
7 programs which have been approved by him pursuant to  
8 this title, including the cost of carrying out programs which  
9 are components of a community action program and which  
10 are designed to achieve the purposes of this title. Such  
11 component programs shall be focused upon the needs of low-  
12 income individuals and families and shall provide, in particu-  
13 lar areas or to particular groups in a community, expanded  
14 and improved services, assistance, and other activities, and  
15 facilities necessary in connection therewith, in the fields of  
16 education, employment, job training and counseling, health,  
17 vocational rehabilitation, housing, home management, wel-  
18 fare, and other fields which fall within the purposes of  
19 this title.

20 (b) Any elementary or secondary school education  
21 program assisted under this section shall be administered by  
22 the public educational agency or agencies principally respon-  
23 sible for providing public elementary and secondary educa-  
24 tion in the area involved. No child shall be denied the



1 benefit of such a program because he is not regularly en-  
2 rolled in the public schools.

3 (c) Assistance under this section may be extended for a  
4 limited period, even though a community has not completed  
5 and put into effect its community action program, if the  
6 Director determines that there is a representative group en-  
7 gaged in developing such a program in the community, and  
8 that extension of such assistance will further the purposes of  
9 this title with respect to such community and will not impede  
10 the development and carrying out of a community action  
11 program. After June 30, 1965, expenditures under this sub-  
12 section in any fiscal year shall not exceed 20 per centum of  
13 the sums appropriated or allocated for such year to carry  
14 out the purposes of this title.

15 (d) In determining whether to extend assistance un-  
16 der this section the Director shall consider among other  
17 relevant factors the incidence of poverty within the com-  
18 munity and within the areas or groups to be affected by  
19 the specific program or programs, and the extent to which  
20 the applicant is in a position to utilize efficiently and expe-  
21 ditiously the assistance for which application is made. In  
22 determining the incidence of poverty the Director shall con-  
23 sider information available with respect to such factors as:  
24 the concentration of low-income families, particularly those

1 with children; the extent of persistent unemployment and  
2 underemployment; the number and proportion of persons  
3 receiving cash or other assistance on a needs basis from public  
4 agencies or private organizations; the number of migrant  
5 or transient low-income families; school dropout rates, mili-  
6 tary service rejection rates, and other evidences of low edu-  
7 cational attainment; the incidence of disease, disability, and  
8 infant mortality; housing conditions; adequacy of community  
9 facilities and services; and the incidence of crime and juvenile  
10 delinquency.

11 (e) In extending assistance under this section the Di-  
12 rector shall give special consideration to programs which  
13 give promise of effecting a permanent increase in the capac-  
14 ity of individuals, groups, and communities to deal with  
15 their problems without further assistance.

16 TECHNICAL ASSISTANCE

17 SEC. 205. The Director is authorized to provide, either  
18 directly or through grants or other arrangements, (a) tech-  
19 nical assistance to communities in developing, conducting,  
20 and administering community action programs, and (b)  
21 training for specialized personnel needed to develop, con-  
22 duct, or administer such programs or to provide services  
23 or other assistance thereunder.

## 1 RESEARCH, TRAINING, AND DEMONSTRATIONS

2 SEC. 206. The Director is authorized to conduct, or to  
3 make grants to or enter into contracts with institutions of  
4 higher education or other appropriate public agencies or  
5 private nonprofit organizations for the conduct of, research,  
6 training, and demonstrations pertaining to the purposes of  
7 this title. Expenditures under this section in any fiscal year  
8 shall not exceed 15 per centum of the sums appropriated or  
9 allocated for such year to carry out the purposes of this title.

## 10 LIMITATIONS ON FEDERAL ASSISTANCE

11 SEC. 207. (a) Assistance pursuant to sections 203 and  
12 204 paid for the period ending two years after the date of  
13 enactment of this Act, or June 30, 1966, whichever is later,  
14 shall not exceed 90 per centum of the costs referred to in  
15 those sections, respectively, and thereafter shall not exceed  
16 75 per centum of such costs, unless the Director determines,  
17 pursuant to regulations adopted and promulgated by him  
18 establishing objective criteria for such determinations, that  
19 assistance in excess of such percentages is required in fur-  
20 therance of the purposes of this title. Non-Federal con-  
21 tributions may be in cash or in kind, fairly evaluated, includ-  
22 ing but not limited to plant, equipment, and services.

23 (b) The expenditures or contributions made from non-  
24 Federal sources for a community action program or compo-  
25 nent thereof shall be in addition to the aggregate expendi-



1 tures and contributions from non-Federal sources which were  
2 being made for similar purposes prior to the extension of  
3 Federal assistance.

4 PARTICIPATION OF STATE AGENCIES

5 SEC. 208. (a) The Director shall establish procedures  
6 which will facilitate effective participation of the States in  
7 community action programs. Such procedures shall include  
8 provision for the referral of applications for assistance under  
9 this title to the Governor of each State affected, or his desig-  
10 nee, for such comments as he may deem appropriate.

11 (b) The Director is authorized to make grants to, or  
12 to contract with, appropriate State agencies for the payment  
13 of the expenses of such agencies in providing technical as-  
14 sistance to communities in developing, conducting, and ad-  
15 ministering community action programs.

16 EQUITABLE DISTRIBUTION OF ASSISTANCE

17 SEC. 209. The Director shall establish criteria designed  
18 to achieve an equitable distribution of assistance under this  
19 title among the States and between urban and rural areas.  
20 In developing such criteria, he shall consider the relative  
21 numbers in the States or areas therein of: (a) low-income  
22 families, particularly those with children; (b) unemployed  
23 persons; (c) persons receiving cash or other assistance on  
24 a needs basis from public agencies or private organizations;  
25 (d) school dropouts; (e) adults with less than an eighth-

1 grade education; and (f) persons rejected for military serv-  
2 ice. Not more than  $12\frac{1}{2}$  per centum of the sums appro-  
3 priated or allocated for any fiscal year to carry out the pur-  
4 poses of this title shall be used for grants or contracts pur-  
5 suant to sections 203 and 204 within any one State.

6 PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

7 SEC. 210. In determining whether to extend assistance  
8 under any other title of this Act, the Director shall, to the  
9 extent feasible, give preference to programs and projects  
10 which are components of a community action program ap-  
11 proved pursuant to this title.

12 TITLE III—SPECIAL PROGRAMS TO COMBAT  
13 POVERTY IN RURAL AREAS

14 STATEMENT OF PURPOSE

15 SEC. 301. It is the purpose of this title to meet some  
16 of the special problems of rural poverty and thereby to raise  
17 and maintain the income and living standards of low-income  
18 rural families.

19 AUTHORITY TO MAKE GRANTS AND LOANS

20 SEC. 302. (a) The Director is authorized to make—

21 (1) grants of not to exceed \$1,500 to low-income  
22 rural families where, in the judgment of the Director,  
23 such grants have a reasonable possibility of effecting a  
24 permanent increase in the income of such families by  
25 assisting or permitting them to—

1 (A) acquire or improve real estate or reduce  
2 encumbrances or erect improvements thereon,

3 (B) operate or improve the operation of farms  
4 not larger than family sized,

5 (C) participate in cooperative associations, or

6 (D) finance nonagricultural enterprises which  
7 will enable such families to supplement their in-  
8 come; and

9 (2) loans to such families, having a maximum  
10 maturity of 15 years and in amounts not exceeding \$2,-  
11 500 in the aggregate to any family at any one time, for  
12 the purpose set forth in subparagraph (a) (1) (D) of  
13 this section.

14 (b) Grants under this section shall be made only if  
15 the family is not qualified to obtain such funds by loan under  
16 other Federal programs: *Provided, however,* That nothing  
17 herein shall be construed to prevent the making of grants  
18 where appropriate in combination with or as supplements  
19 to loans made under this program or other Federal programs.

20 FAMILY FARM DEVELOPMENT CORPORATIONS

21 SEC. 303. (a) The Director is authorized to cooperate  
22 with, furnish technical assistance to, and otherwise assist in  
23 the organization of public or private nonprofit corporations  
24 having as their objective the improvement of the produc-



1 tivity and income of low-income farmers. Such corpora-  
2 tions shall be eligible for assistance under this section if  
3 they are organized for the purpose of and have the power  
4 to acquire real property or any interest therein in rural  
5 areas, to develop or reconstitute such real property into units  
6 not larger than family farms, including necessary fences,  
7 farm buildings, land and water development, and related  
8 facilities, and to sell the farms so developed or reconstituted  
9 to low-income farm families at prices equal to their appraised  
10 value when used for agricultural purposes and in a manner  
11 that the Director determines will further the purposes of this  
12 title.

13 (b) The Director may prescribe such rules and regula-  
14 tions regarding the organization, financial resources, opera-  
15 tions, and activities of such corporations as he deems appro-  
16 priate.

17 (c) The Director is authorized to purchase the obliga-  
18 tions of, or make loans to, such corporations upon such terms  
19 and conditions as he may determine subject to the limitations  
20 of sections 305 and 306.

21 (d) The Director is authorized to make grants to such  
22 corporations in amounts sufficient to make up the deficiency  
23 between the cost of the farms developed or reconstituted  
24 by them and the net proceeds received from the sale of such  
25 farms at the prices specified in subsection (a).

## COOPERATIVE ASSOCIATIONS

SEC. 304. The Director is authorized to make loans to local cooperative associations furnishing essential production, processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

## LIMITATIONS ON ASSISTANCE

SEC. 305. No financial or other assistance shall be provided under this title unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this title, and

(b) in the case of assistance provided pursuant to sections 303 and 304, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

## LOAN TERMS AND CONDITIONS

SEC. 306. Loans made pursuant to sections 302, 303, and 304 (including obligations purchased pursuant to section 303) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

1           (c) the amount of the loan, together with other  
2 funds available, is adequate to assure completion of the  
3 project or achievement of the purposes for which the  
4 loan is made;

5           (d) the loan bears interest at a rate not less than  
6       (1) a rate determined by the Secretary of the Treasury,  
7 taking into consideration the average market yield on  
8 outstanding Treasury obligations of comparable maturity,  
9 plus (2) such additional charge, if any, toward covering  
10 other costs of the program as the Director may determine  
11 to be consistent with its purposes; and

12           (e) with respect to loans made pursuant to sections  
13 303 and 304, the loan is repayable within not more than  
14 thirty years.

## 15       TITLE IV—EMPLOYMENT AND INVESTMENT 16                               INCENTIVES

### 17                               STATEMENT OF PURPOSE

18       SEC. 401. It is the purpose of this title to provide new  
19 training and employment opportunities for long-term unem-  
20 ployed persons; to assist in the establishment, preservation,  
21 and strengthening of small business concerns and improve the  
22 managerial skills employed in such enterprises; and to mobil-  
23 ize for these objectives private as well as public managerial  
24 skills and resources.



1 PART A—INCENTIVES FOR EMPLOYMENT OF LONG-TERM  
2 UNEMPLOYED PERSONS

3 LOANS, PARTICIPATIONS, AND GUARANTIES

4 SEC. 411. (a) The Director is authorized to make, par-  
5 ticipate (on an immediate basis) in, or guarantee loans to  
6 private borrowers, repayable in not more than twenty-five  
7 years, when he determines that such financial assistance will  
8 result in stable employment for persons not already employed  
9 by the borrower, a majority of whom will be recruited from  
10 among the long-term unemployed and members of low-  
11 income families.

12 (b) The amount of any loan, participation, or guaranty  
13 made hereunder shall not exceed an amount equal to \$10,-  
14 000 multiplied by the number of persons to be employed by  
15 the borrower as a result of the financial assistance.

16 LIMITATIONS ON FINANCIAL ASSISTANCE

17 SEC. 412. No financial assistance shall be extended pur-  
18 suant to this part unless—

19 (a) the Director determines that the assistance will  
20 not be used in relocating establishments from one area  
21 to another; and

22 (b) the assistance is extended in accordance with

1 and as part of a community action program approved  
2 pursuant to title II of this Act.

3 PROVISION FOR LOSSES ON GUARANTIES

4 SEC. 413. The Director shall make a reasonable pro-  
5 vision for possible losses with respect to guaranties under this  
6 part, but such provision shall be not less than 15 per  
7 centum of the guaranties in force at any time. The amounts  
8 so provided and set aside within appropriations shall be con-  
9 sidered to constitute obligations for purposes of section 1311  
10 of the Supplemental Appropriation Act, 1955 (31 U.S.C.  
11 200).

12 LOAN TERMS AND CONDITIONS

13 SEC. 414. Loans made pursuant to section 411 (includ-  
14 ing immediate participations in and guaranties of such loans)  
15 shall have such terms and conditions as the Director shall  
16 determine, subject to the following limitations:

17 (a) there is reasonable assurance of repayment of  
18 the loan;

19 (b) the financial assistance is not otherwise avail-  
20 able on reasonable terms from private sources or other  
21 Federal, State, or local programs;

22 (c) the amount of the loan, together with other  
23 funds available, is adequate to assure completion of the  
24 project or achievement of the purposes for which the  
25 loan is made;

(d) the loan bears interest at a rate not less than  
(1) a rate determined by the Secretary of the Treasury,  
taking into consideration the average market yield on  
outstanding Treasury obligations of comparable maturity,  
plus (2) such additional charge, if any, toward covering  
other costs of the program as the Director may determine  
to be consistent with its purposes: *Provided, however,*  
That the rate of interest charged on loans made in rede-  
velopment areas designated under the Area Redevelop-  
ment Act (42 U.S.C. 2501 et seq.) shall not exceed the  
rate currently applicable to new loans made under sec-  
tion 6 of that Act (42 U.S.C. 2505) ; and

(e) fees not in excess of amounts necessary to cover  
administrative expenses and probable losses may be re-  
quired on loan guaranties.

## PART B—SMALL BUSINESS LOANS

### LOANS, PARTICIPATIONS, AND GUARANTIES

SEC. 421. The Director is authorized to make, partici-  
pate (on an immediate basis) in, or guarantee loans, repay-  
able in not more than fifteen years, to any small business  
concern (as defined in section 3 of the Small Business Act  
(15 U.S.C. 632) and regulations issued thereunder), or to  
any qualified person seeking to establish such a concern,  
when he determines that such loans will assist in carrying  
out the purposes of this title: *Provided, however,* That no



1 such loans shall be made, participated in, or guaranteed if  
2 the total of such Federal assistance to a single borrower out-  
3 standing at any one time would exceed \$15,000. The  
4 Director may defer payments on the principal of such loans  
5 for a grace period and use such other methods as he deems  
6 necessary and appropriate to assure the successful establish-  
7 ment and operation of such concern. The Director may, in  
8 his discretion, as a condition of such financial assistance, re-  
9 quire that the borrower take steps to improve his manage-  
10 ment skills by participating in a management training pro-  
11 gram approved by the Director. The Director shall en-  
12 courage, as far as possible, the participation of the private  
13 business community in the program of assistance to such  
14 concerns.

15 COORDINATION WITH COMMUNITY ACTION PROGRAMS

16 SEC. 422. No financial assistance shall be provided under  
17 section 421 in any community for which the Director has  
18 approved a community action program pursuant to title II  
19 of this Act unless such financial assistance is determined by  
20 him to be consistent with such program.

21 FINANCING UNDER SMALL BUSINESS ACT

22 SEC. 423. Such lending and guaranty functions under  
23 this part as may be delegated to the Small Business Admin-  
24 istration may be financed with funds appropriated to the  
25 revolving fund established by section 4 (c) of the Small

1 Business Act (15 U.S.C. 633 (c) ) for the purposes of  
2 sections 7 (a) , 7 (b) , and 8 (a) of that Act (15 U.S.C.  
3 636 (a) , 636 (b) , 637 (a) ) .

#### 4 LOAN TERMS AND CONDITIONS

5 SEC. 424. Loans made pursuant to section 421 (includ-  
6 ing immediate participations in and guaranties of such loans)  
7 shall have such terms and conditions as the Director shall  
8 determine, subject to the limitations set forth in paragraphs  
9 (a) through (e) of section 414.

### 10 TITLE V—FAMILY UNITY THROUGH JOBS

#### 11 STATEMENT OF PURPOSE

12 SEC. 501. It is the purpose of this title to expand the  
13 opportunities for constructive work experience and other  
14 needed training or basic education available to persons who  
15 are unable to support or care for their families.

#### 16 PAYMENTS FOR EXPERIMENTAL, PILOT, AND

#### 17 DEMONSTRATION PROJECTS

18 SEC. 502. In order to stimulate the adoption by States  
19 of programs designed to help unemployed fathers and other  
20 members of needy families with children to secure and retain  
21 employment or to attain or retain capability for self-support  
22 or personal independence, the Director is authorized to trans-  
23 fer funds appropriated or allocated to carry out the purposes  
24 of this title to the Secretary of Health, Education, and Wel-

1 fare to enable him to make payments for experimental, pilot,  
2 or demonstration projects under section 1115 of the Social  
3 Security Act (42 U.S.C. 1315), in addition to the sums  
4 otherwise available pursuant thereto. The costs of such  
5 projects to the United States for the fiscal year ending  
6 June 30, 1965, shall, notwithstanding the provisions of such  
7 Act, be met entirely from funds appropriated or allocated to  
8 carry out the purposes of this title.

9 TITLE VI—ADMINISTRATION AND  
10 COORDINATION

11 PART A—ADMINISTRATION

12 OFFICE OF ECONOMIC OPPORTUNITY

13 SEC. 601. (a) There is hereby established in the Execu-  
14 tive Office of the President the Office of Economic Oppor-  
15 tunity. The Office shall be headed by a Director who shall  
16 be appointed by the President, by and with the advice and  
17 consent of the Senate. There shall also be in the Office four  
18 Deputy Directors who shall be appointed by the President,  
19 by and with the advice and consent of the Senate. The  
20 Deputy Directors shall perform such functions as the Direc-  
21 tor may from time to time prescribe.

22 (b) Notwithstanding the provisions of section 5 (b) of  
23 the Reorganization Act of 1949 (5 U.S.C. 133z-3 (b) ),  
24 at any time after one year from the date of enactment hereof  
25 the President may, by complying with the procedures estab-



lished by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) Section 103 (a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2202 (a) ) is amended by adding the following clause thereto:

“(6) Director of the Office of Economic Opportunity.”

(d) Section 105 of the Federal Executive Pay Act of 1956 (5 U.S.C. 2204) is amended by adding the following clause thereto:

“(32) Deputy Director of the Office of Economic Opportunity.”

(e) Section 106 (a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2205 (a) ) is amended by adding the following clause thereto:

“(52) Deputy Directors of the Office of Economic Opportunity (3).”

#### AUTHORITY OF DIRECTOR

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the

1 Office to carry out its functions, and, except as otherwise  
2 provided herein, fix their compensation in accordance  
3 with the Classification Act of 1949 (5 U.S.C. 1071  
4 et seq.) ;

5 (b) employ experts and consultants or organiza-  
6 tions thereof as authorized by section 15 of the Act of  
7 August 2, 1946 (5 U.S.C. 55a) , compensate individuals  
8 so employed at rates not in excess of \$100 per diem,  
9 including travel time, and allow them, while away from  
10 their homes or regular places of business, travel ex-  
11 penses (including per diem in lieu of subsistence) as  
12 authorized by law (5 U.S.C. 73b-2) for persons in  
13 the Government service employed intermittently, while  
14 so employed: *Provided, however,* That contracts for  
15 such employment may be renewed annually ;

16 (c) appoint, without regard to the civil service  
17 laws, one or more advisory committees composed of  
18 such private citizens and officials of the Federal, State,  
19 and local governments as he deems desirable to advise  
20 him with respect to his functions under this Act; and  
21 members of such committee (including the National  
22 Advisory Council established in section 605), other  
23 than those regularly employed by the Federal Govern-  
24 ment, while attending meetings of such committees or  
25 otherwise serving at the request of the Director, shall

1 be entitled to receive compensation and travel expenses  
2 as provided in subsection (b) with respect to experts  
3 and consultants;

4 (d) with the approval of the President, arrange  
5 with and reimburse the heads of other Federal agencies  
6 for the performance of any of his functions under this  
7 Act and, as necessary or appropriate, delegate any of his  
8 powers under this Act and authorize the redelegation  
9 thereof;

10 (e) utilize, with their consent, the services and fa-  
11 cilities of Federal agencies without reimbursement, and,  
12 with the consent of any State or a political subdivision  
13 of a State, accept and utilize the services and facilities  
14 of the agencies of such State or subdivision without  
15 reimbursement;

16 (f) accept in the name of the Office, and employ  
17 or dispose of in furtherance of the purposes of this Act,  
18 or of any title thereof, any money or property, real,  
19 personal, or mixed, tangible or intangible, received by  
20 gift, devise, bequest, or otherwise;

21 (g) accept voluntary and uncompensated services,  
22 notwithstanding the provisions of section 3679 (b) of  
23 the Revised Statutes (31 U.S.C. 665 (b) ) ;

24 (h) allocate and expand, or transfer to other Fed-  
25 eral agencies for expenditure, funds made available under



1       this Act as he deems necessary to carry out the pro-  
2       visions hereof, including (without regard to the provi-  
3       sions of section 4774 (d) of title 10, United States Code)  
4       expenditures for construction, repairs, and capital  
5       improvements;

6           (i) disseminate, without regard to the provisions  
7       of section 321n of title 39, United States Code, data  
8       and information, in such form as he shall deem appro-  
9       priate, to public agencies, private organizations, and the  
10      general public;

11          (j) adopt an official seal, which shall be judicially  
12      noticed;

13          (k) notwithstanding any other provision of law  
14      relating to the acquisition, handling, or disposal of real  
15      or personal property by the United States, deal with,  
16      complete, rent, renovate, modernize, or sell for cash or  
17      credit at his discretion any properties acquired by him in  
18      connection with loans, participations, and guaranties  
19      made by him pursuant to titles III and IV of this Act;

20          (l) collect or compromise all obligations to or held  
21      by him and all legal or equitable rights accruing to him  
22      in connection with the payment of obligations until such  
23      time as such obligations may be referred to the Attorney  
24      General for suit or collection; and

25          (m) establish such policies, standards, criteria, and

1 procedures, prescribe such rules and regulations, enter  
2 into such contracts and agreements with public agencies  
3 and private organizations and persons, make such pay-  
4 ments (in lump sum or installments, and in advance or  
5 by way of reimbursement, and in the case of grants,  
6 with necessary adjustments on account of overpayments  
7 or underpayments), and generally perform such func-  
8 tions and take such steps as he may deem to be neces-  
9 sary or appropriate to carry out the provisions of this  
10 Act.

#### 11 VOLUNTEERS FOR AMERICA

12 SEC. 603. (a) The Director is authorized to recruit,  
13 select, train, and—

14 (1) upon request, refer volunteers to perform duties  
15 in furtherance of programs of assistance at a State or  
16 local level; and

17 (2) in cooperation with other Federal, State, or  
18 local agencies involved, assign volunteers to work (A)  
19 in meeting the health and education needs of Indians  
20 living on reservations, of migratory workers and their  
21 families, or of residents of the District of Columbia,  
22 the Commonwealth of Puerto Rico, Guam, American  
23 Samoa, the Virgin Islands, or the Trust Territory of the  
24 Pacific Islands; (B) in the care and rehabilitation of  
25 the mentally ill and mentally retarded under treatment

1 at nonprofit mental health and mental retardation facil-  
2 ities assisted in their construction or operation by Fed-  
3 eral funds; and (C) in furtherance of federally operated  
4 programs or activities authorized by titles I and II of  
5 this Act.

6 (b) The referral or assignment of volunteers shall be  
7 on such terms and conditions as the Director may deter-  
8 mine, but volunteers shall not be referred or assigned to  
9 duties or work in any State without the consent of the  
10 Governor.

11 (c) The Director is authorized to provide to all volun-  
12 teers during training and to volunteers assigned pursuant to  
13 subsection (a) (2) such stipend, not to exceed \$50 per  
14 month, such living, travel, and leave allowances, and such  
15 housing, transportation (including travel to and from the  
16 place of training), supplies, equipment, subsistence, cloth-  
17 ing, and health and dental care as the Director may deem  
18 necessary or appropriate for their needs.

19 (d) Volunteers shall be deemed not to be Federal em-  
20 ployees and shall not be subject to the provisions of laws  
21 relating to Federal employment, including those relating to  
22 hours of work, rates of compensation, leave, unemployment  
23 compensation, and Federal employee benefits, except that  
24 all volunteers during training and such volunteers as are



1 assigned pursuant to subsection (a) (2) shall be deemed  
2 Federal employees to the same extent as enrollees of the  
3 Corps under section 107 (b), (c), and (d) of this Act.

4 ECONOMIC OPPORTUNITY COUNCIL

5 SEC. 604. (a) There is hereby established an Economic  
6 Opportunity Council, which shall consult with and advise the  
7 Director in carrying out his functions, including the coordina-  
8 tion of antipoverty efforts by all segments of the Federal  
9 Government.

10 (b) The Council shall include the Director, who shall  
11 be Chairman, the Secretary of Defense, the Attorney General,  
12 the Secretaries of the Interior, Agriculture, Commerce, Labor,  
13 and Health, Education, and Welfare, the Housing and Home  
14 Finance Administrator, the Administrator of the Small Busi-  
15 ness Administration, the Chairman of the Council of Eco-  
16 nomic Advisers, the Director of Selective Service, and such  
17 other agency heads as the President may designate, or dele-  
18 gates thereof.

19 NATIONAL ADVISORY COUNCIL

20 SEC. 605. There is hereby established in the Office a  
21 National Advisory Council. The Council shall be composed  
22 of the Director, who shall be Chairman, and not more than  
23 fourteen additional members appointed by the President,  
24 without regard to the civil service laws, who shall be repre-

1   sentative of the public in general and appropriate fields of  
2   endeavor related to the purposes of this Act. Upon the  
3   request of the Director, the Council shall review the opera-  
4   tions and activities of the Office, and shall make such recom-  
5   mendations with respect thereto as are appropriate. The  
6   Council shall meet at least once each year and at such other  
7   times as the Director may request.

8                                   REVOLVING FUND

9       SEC. 606. (a) To carry out the lending and guaranty  
10   functions authorized under titles III and IV of this Act,  
11   there is authorized to be established a revolving fund. The  
12   capital of the fund shall consist of such amounts as may be  
13   advanced to it by the Director from funds appropriated pur-  
14   suant to section 701 and shall remain available until expended.

15       (b) The Director shall pay into miscellaneous receipts  
16   of the Treasury, at the close of each fiscal year, interest on  
17   the capital of the fund at a rate determined by the Secretary  
18   of the Treasury, taking into consideration the average market  
19   yield on outstanding Treasury obligations of comparable  
20   maturity during the last month of the preceding fiscal year.  
21   Interest payments may be deferred with the approval of the  
22   Secretary of the Treasury, but any interest payments so  
23   deferred shall themselves bear interest.

24       (c) Whenever any capital in the fund is determined by  
25   the Director to be in excess of current needs, such capital

1 shall be credited to the appropriation from which advanced,  
2 where it shall be held for future advances.

3 (d) Receipts from any lending and guaranty operations  
4 under this Act (except operations under part B of title IV  
5 carried on by the Small Business Administration) shall be  
6 credited to the fund. The fund shall be available for the  
7 payment of all expenditures of the Director for loans, par-  
8 ticipations, and guaranties authorized under titles III and  
9 IV of this Act.

#### 10 REPORTS

11 SEC. 607. Not later than one hundred and twenty days  
12 after the close of each fiscal year, the Director shall prepare  
13 and submit to the President for transmittal to the Congress a  
14 full and complete report on the activities of the Office during  
15 such year.

#### 16 DEFINITIONS

17 SEC. 608. As used in this Act:

18 (a) The term "State" means a State, the Common-  
19 wealth of Puerto Rico, the District of Columbia, Guam,  
20 American Samoa, or the Virgin Islands, and the term  
21 "United States," when used in a geographical sense, includes  
22 the foregoing and all other places, continental or insular,  
23 including the Trust Territory of the Pacific Islands, subject  
24 to the jurisdiction of the United States.

25 (b) The term "agency," unless the context requires



1 otherwise, means department, agency, or other component  
2 of a Federal, State, or local governmental entity.

3 PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

4 COORDINATION

5 SEC. 611. In order to insure that all Federal programs  
6 related to the purposes of this Act are carried out in a  
7 coordinated manner:

8 (a) the Director is authorized to call upon other  
9 Federal agencies to supply such statistical data, program  
10 reports, and other materials as he deems necessary to  
11 discharge his responsibilities under this Act, and to  
12 assist the President in coordinating the antipoverty  
13 efforts of all Federal agencies;

14 (b) Federal agencies which are engaged in ad-  
15 ministering programs related to the purposes of this Act,  
16 or which otherwise perform functions relating thereto,  
17 shall—

18 (1) cooperate with the Director in carrying  
19 out his duties and responsibilities under this Act,  
20 and

21 (2) carry out their programs and exercise  
22 their functions in such manner as will, to the maxi-  
23 mum extent permitted by other applicable law,  
24 assist in carrying out the purposes of this Act; and

25 (c) the President may direct that particular pro-

grams and functions, including the expenditure of funds, of the Federal agencies referred to in subsection (b) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

#### PREFERENCE TO COMMUNITY ACTION PROGRAMS

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### INFORMATION CENTER

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrange-

1 ments and pay for any printing and binding without regard  
2 to the provisions of any other law or regulation.

3 TITLE VII—AUTHORIZATION OF  
4 APPROPRIATIONS

5 SEC. 701. For the purpose of carrying out the provisions  
6 of this Act, there are hereby authorized to be appropriated  
7 to the Director for the fiscal year ending June 30, 1965,  
8 the sum of \$962,500,000, and thereafter such sums as are  
9 necessary to carry out this Act, to be available until expended.





## A BILL

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

---

By Mr. McNAMARA, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CHURCH, Mr. CLARK, Mr. DOUGLAS, Mr. ENGLE, Mr. HART, Mr. HUMPHREY, Mr. INOUYE, Mr. KENNEDY, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MANSFIELD, Mr. McCARTHY, Mr. McGEE, Mr. MCGOVERN, Mr. METCALF, Mr. MOSE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SMATHERS, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH

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MARCH 16 (legislative day, MARCH 9), 1964

Read twice and referred to the Committee on Labor and Public Welfare

88TH CONGRESS  
2D SESSION

# H. R. 10440

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 1964

Mr. LANDRUM introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Economic Opportunity  
4       Act of 1964".

### 5               FINDINGS AND DECLARATION OF PURPOSE

6       SEC. 2. Although the economic well-being and pros-  
7       perity of the United States have progressed to a level sur-  
8       passing any achieved in world history, and although these  
9       benefits are widely shared throughout the Nation, poverty  
10      continues to be the lot of a substantial number of our people.  
11      The United States can achieve its full economic and social



1 potential as a nation only if every individual has the op-  
2 portunity to contribute to the full extent of his capabilities  
3 and to participate in the workings of our society. It is  
4 therefore the policy of the United States to eliminate the  
5 paradox of poverty in the midst of plenty in this Nation by  
6 opening to everyone the opportunity for education and train-  
7 ing, the opportunity to work, and the opportunity to live in  
8 decency and dignity. It is the purpose of this Act to  
9 strengthen, supplement, and coordinate efforts in furtherance  
10 of that policy.

## 11 TITLE I—YOUTH PROGRAMS

### 12 PART A—JOB CORPS

#### 13 STATEMENT OF PURPOSE

14 SEC. 101. The purpose of this part is to prepare for  
15 the responsibilities of citizenship and to increase the employ-  
16 ability of youths aged sixteen through twenty-one by pro-  
17 viding them in residential centers with education, vocational  
18 training, useful work experience, including work directed  
19 toward the conservation of natural resources, and other appro-  
20 priate activities.

#### 21 ESTABLISHMENT OF JOB CORPS

22 SEC. 102. In order to carry out the purposes of this part,  
23 there is hereby established within the Office of Economic

1 Opportunity (hereinafter referred to as the "Office"), estab-  
2 lished by title VI, a Job Corps (hereinafter referred to as  
3 the "Corps").

4                                   JOB CORPS PROGRAM

5       SEC. 103. The Director of the Office (hereinafter re-  
6 ferred to as the "Director") is authorized to—

7           (a) enter into agreements with any Federal, State,  
8 or local agency or private organization for the provision  
9 of such facilities and services as in his judgment are  
10 needed to carry out the purposes of this part;

11           (b) provide education and vocational training to  
12 enrollees in the Corps, or, where appropriate, arrange  
13 for the provision thereof by another Federal agency or  
14 by State or local public educational agencies;

15           (c) provide or arrange for the provision of pro-  
16 grams of useful work experience and other appropriate  
17 activities for enrollees;

18           (d) establish standards of safety and health for  
19 enrollees, and furnish or arrange for the furnishing of  
20 health services; and

21           (e) prescribe such rules and regulations and make  
22 such arrangements as he deems necessary to provide for  
23 the selection of enrollees and to govern their conduct

1 after enrollment, including appropriate regulations as to  
2 the circumstances under which enrollment may be  
3 terminated.

4 COMPOSITION OF THE CORPS

5 SEC. 104. (a) The Corps shall be composed of male  
6 individuals who are permanent residents of the United  
7 States, who have attained age sixteen but have not attained  
8 age twenty-two at the time of enrollment, and who meet  
9 the standards for enrollment prescribed by the Director.  
10 Participation in the Corps shall not relieve any enrollee of  
11 obligations under the Universal Military Training and Serv-  
12 ice Act (50 U.S.C. App. 451 et seq.).

13 (b) In order to enroll as a member of the Corps, an  
14 individual must agree to comply with rules and regulations  
15 promulgated by the Director for the government of the  
16 Corps.

17 (c) The total enrollment of any individual in the Corps  
18 shall not exceed two years except as the Director may  
19 determine in special cases.

20 ALLOWANCE AND MAINTENANCE

21 SEC. 105. (a) Enrollees may be provided with such  
22 living, travel, and leave allowances, and such quarters, sub-  
23 sistence, transportation, equipment, clothing, recreational  
24 services, medical, dental, hospital, and other health serv-  
25 ices, and other expenses as the Director may deem necessary



1 or appropriate for their needs. Transportation and travel  
2 allowances may also be provided, in such circumstances as  
3 the Director may determine, for applicants for enrollment to  
4 or from places of enrollment, and for former enrollees from  
5 places of termination to their homes.

6 (b) Upon termination of his enrollment in the Corps,  
7 each enrollee shall be entitled to receive a readjustment al-  
8 lowance at a rate not to exceed \$50 for each month of satis-  
9 factory participation therein as determined by the Director:  
10 *Provided, however,* That under such circumstances as the  
11 Director may determine, a portion of the readjustment allow-  
12 ance of an enrollee not exceeding \$25 for each month of satis-  
13 factory service may be paid during the period of service of the  
14 enrollee directly to a dependent (as that term is defined in  
15 section 401 of title 37, United States Code) and any sum so  
16 paid shall be supplemented by the payment of an equal  
17 amount to the dependent by the Director. In the event of  
18 the enrollee's death during the period of his service, the  
19 amount of any unpaid readjustment allowance shall be paid  
20 in accordance with the provisions of section 1 of the Act of  
21 August 3, 1950 (5 U.S.C. 61f).

22 APPLICATION OF PROVISIONS OF FEDERAL LAW

23 SEC. 106. (a) Except as otherwise specifically provided  
24 in this part, an enrollee shall be deemed not to be a Federal  
25 employee and shall not be subject to the provisions of laws

1 relating to Federal employment, including those relating to  
2 hours of work, rates of compensation, leave, unemployment  
3 compensation, and Federal employee benefits.

4 (b) Enrollees shall be deemed to be employees of the  
5 United States for the purposes of the Internal Revenue  
6 Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the  
7 Social Security Act (42 U.S.C. 401 et seq.), and any serv-  
8 ice performed by an individual as an enrollee shall be  
9 deemed for such purposes to be performed in the employ  
10 of the United States.

11 (c) (1) Enrollees under this part shall, for the purposes  
12 of the administration of the Federal Employees' Compensa-  
13 tion Act (5 U.S.C. 751 et seq.), be deemed to be civil em-  
14 ployees of the United States within the meaning of the term  
15 "employee" as defined in section 40 of such Act (5 U.S.C.  
16 790) and the provisions thereof shall apply except as here-  
17 inafter provided.

18 (2) For purposes of this subsection:

19 (A) The term "performance of duty" in the Federal  
20 Employees' Compensation Act shall not include any act of  
21 an enrollee—

22 (i) while he is on authorized leave or pass; or

23 (ii) while he is absent from his assigned post of  
24 duty, except while participating in an activity author-

1        ized by or under the direction or supervision of the  
2        Corps.

3        (B) In computing compensation benefits for disability  
4        or death under the Federal Employees' Compensation Act,  
5        the monthly pay of an enrollee shall be deemed to be \$150,  
6        except that with respect to compensation for disability  
7        accruing after the individual concerned reaches the age of  
8        twenty-one, such monthly pay shall be deemed to be that  
9        received under the entrance salary for GS-2 under the  
10       Classification Act of 1949 (5 U.S.C. 1071 et seq.).

11       (C) The term "injury" as defined in section 40 of the  
12       Federal Employees' Compensation Act (5 U.S.C. 790)  
13       shall include disease, illness, or injury if it arises out of  
14       service in the Corps.

15       (D) Compensation for disability, including medical care,  
16       shall not begin to accrue until the day following the date  
17       on which the enrollment of the injured enrollee is terminated.

18       (d) An enrollee shall be deemed to be an employee  
19       of the Government for the purposes of the Federal Tort  
20       Claims Act (28 U.S.C. 2671 et seq.).

21       (e) Personnel of the uniformed services who are de-  
22       tailed or assigned to duty in the performance of agreements  
23       made by the Director for the support of the Corps shall  
24       not be counted in computing strengths under any law limit-



1 ing the strength of such services or in computing the per-  
2 centage authorized by law for any grade therein.

3                   **PART B—WORK-TRAINING PROGRAMS**

4                               **STATEMENT OF PURPOSE**

5       **SEC. 111.** The purpose of this part is to provide useful  
6 work experience opportunities for unemployed youths,  
7 through participation in State and community work-training  
8 programs, so that their employability may be increased or  
9 their education resumed or continued and so that public  
10 agencies and private nonprofit organizations will be enabled  
11 to carry out programs which will permit or contribute to an  
12 undertaking or service in the public interest that would not  
13 otherwise be provided, or will contribute to the conservation  
14 and development of natural resources and recreational areas.

15                               **DEVELOPMENT OF PROGRAMS**

16       **SEC. 112.** In order to carry out the purposes of this part,  
17 the Director shall assist and cooperate with State and local  
18 agencies and private nonprofit organizations in developing  
19 programs for the employment of young people in State and  
20 community activities hereinafter authorized, which, when-  
21 ever appropriate, shall be coordinated with programs of  
22 training and education provided by local public educational  
23 agencies.

## FINANCIAL ASSISTANCE

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the con-

1        servation, development, or management of the natural  
2        resources of the State or community or to the develop-  
3        ment, management, or protection of State or community  
4        recreational areas;

5            (4) the program will not result in the displacement  
6        of employed workers or impair existing contracts for  
7        services;

8            (5) the rates of pay and other conditions of employ-  
9        ment will be appropriate and reasonable in the light of  
10       such factors as the type of work performed, geographical  
11       region, and proficiency of the employee;

12           (6) to the maximum extent feasible, the program  
13       will be coordinated with vocational training and educa-  
14       tional services adapted to the special needs of enrollees  
15       in such program and sponsored by State or local public  
16       educational agencies: *Provided, however,* That where  
17       such services are inadequate or unavailable, the program  
18       may make provision for the enlargement, improvement,  
19       development, and coordination of such services with the  
20       cooperation of, or where appropriate pursuant to agree-  
21       ment with, the Secretary of Health, Education, and Wel-  
22       fare; and

23           (7) the program includes standards and procedures  
24       for the selection of applicants, including provisions as-  
25       suring full coordination and cooperation with local and



1 other authorities to encourage students to resume or  
2 maintain school attendance.

3 (b) In approving projects under this part, the Director  
4 shall give priority to projects with high training potential.

5 ENROLLEES IN PROGRAMS

6 SEC. 114. (a) Participation in programs under this part  
7 shall be limited to young men and women who are perma-  
8 nent residents of the United States, who have attained age  
9 sixteen but have not attained age twenty-two, and whose  
10 participation in such programs will be consistent with the  
11 purposes of this part.

12 (b) Enrollees shall be deemed not to be Federal em-  
13 ployees and shall not be subject to the provisions of laws  
14 relating to Federal employment, including those relating to  
15 hours of work, rates of compensation, leave, unemployment  
16 compensation, and Federal employee benefits.

17 (c) Where appropriate to carry out the purposes of this  
18 Act, the Director may provide for testing, counseling, job  
19 development, and referral services to youths through public  
20 agencies or private nonprofit organizations.

21 LIMITATIONS ON FEDERAL ASSISTANCE

22 SEC. 115. Federal assistance to any program pursuant  
23 to this part paid for the period ending two years after the  
24 date of enactment of this Act, or June 30, 1966, whichever  
25 is later, shall not exceed 90 per centum of the costs of such

1 program, including costs of administration, and such as-  
2 sistance paid for periods thereafter shall not exceed 75  
3 per centum of such costs, unless the Director determines,  
4 pursuant to regulations adopted and promulgated by him  
5 establishing objective criteria for such determinations, that  
6 assistance in excess of such percentages is required in fur-  
7 therance of the purposes of this part. Non-Federal con-  
8 tributions may be in cash or in kind, fairly evaluated, includ-  
9 ing but not limited to plant, equipment, and services.

10           EQUITABLE DISTRIBUTION OF ASSISTANCE

11       SEC. 116. The Director shall establish criteria designed  
12 to achieve an equitable distribution of assistance under this  
13 part among the States. In developing such criteria, he shall  
14 consider among other relevant factors the ratios of popula-  
15 tion, unemployment, and family income levels. Not more  
16 than  $12\frac{1}{2}$  per centum of the sums appropriated or allocated  
17 for any fiscal year to carry out the purposes of this part  
18 shall be used within any one State.

19           PART C—WORK-STUDY PROGRAMS

20                   STATEMENT OF PURPOSE

21       SEC. 121. The purpose of this part is to stimulate and  
22 promote the part-time employment of students in institu-  
23 tions of higher education who are from low-income families  
24 and are in need of the earnings from such employment to  
25 pursue courses of study at such institutions.

## 1        AGREEMENTS FOR PAYMENT OF COMPENSATION

2        SEC. 122. The Director is authorized to enter into agree-  
3        ments with institutions of higher education (as defined by  
4        section 103 of the National Defense Education Act of 1958  
5        (20 U.S.C. 403) ) for payment by him of part of the com-  
6        pensation of students employed under work-study programs  
7        as hereinafter provided.

## 8                        CONDITIONS OF AGREEMENTS

9        SEC. 123. An agreement entered into pursuant to section  
10       122 shall—

11        (a) provide for the operation by the institution of  
12        a program for the part-time employment of its students  
13        in work (1) for the institution itself, or (2) under  
14        arrangements satisfactory to the Director, for public  
15        agencies or private nonprofit organizations whose activi-  
16        ties contribute to the objectives of this Act: *Provided,*  
17        *however,* That no such work shall involve the construc-  
18        tion, operation, or maintenance of any facility used or to  
19        be used for sectarian instruction or as a place for religious  
20        worship.

21        (b) provide that employment under such work-  
22        study program shall be furnished only to a student who  
23        (1) is from a low-income family, (2) is in need of the  
24        earnings from such employment in order to pursue a  
25        course of study at such institution, (3) is capable, in



1 the opinion of the institution, of maintaining good stand-  
2 ing in such course of study while employed under the  
3 program covered by the agreement, and (4) has been  
4 accepted for enrollment as a full-time student at the  
5 institution or, in the case of a student already enrolled  
6 in and attending the institution, is in good standing and  
7 in full-time attendance there either as an undergraduate,  
8 graduate, or professional student;

9 (c) provide that no student shall be employed under  
10 such work-study program for more than fifteen hours in  
11 any week in which classes in which he is enrolled are  
12 in session;

13 (d) provide that in each fiscal year during which  
14 the agreement remains in effect, the institution shall  
15 expend (from sources other than payments by the  
16 Director under this part) for the employment of its  
17 students (whether or not in employment eligible for  
18 assistance under this part) an amount that is not less  
19 than its average annual expenditure for such employ-  
20 ment during the three fiscal years preceding the fiscal  
21 year in which the agreement is entered into;

22 (e) provide for payment by the Director of a por-  
23 tion of the compensation of each student employed under  
24 such work-study program in accordance with the agree-  
25 ment, but not to exceed 90 per centum of such compen-

1 sation for work performed during the period ending two  
2 years after the date of enactment of this Act, or June 30,  
3 1966, whichever is later, and 75 per centum thereafter;

4 (f) provide, subject to section 124, that the institu-  
5 tion undertakes to act, if so requested by the Director,  
6 as his agent for the payment of the Director's share of  
7 the student's compensation;

8 (g) include provisions designed to make employ-  
9 ment under such work-study program, or equivalent em-  
10 ployment offered or arranged for by the institution, rea-  
11 sonably available (to the extent of available funds) to  
12 all eligible students in the institution in need thereof; and

13 (h) include such other provisions as the Director  
14 shall deem necessary or appropriate to carry out the  
15 purposes of this part.

16 PAYMENTS TO STUDENTS

17 SEC. 124. (a) The Director's share of the compen-  
18 sation of a student employed under a work-study program  
19 covered by an agreement under this part may be paid di-  
20 rectly by him to the student; or it may be paid through the  
21 employing institution as paying agent for the Director. If  
22 the institution is utilized as paying agent, the Director's share  
23 may be paid to the institution in advance or by way of reim-  
24 bursement, in accordance with regulations prescribed by the  
25 Director, and the Director may authorize the institution to

1 combine the Director's share and the remainder of the  
2 student's compensation in a single payment to the student.

3 (b) Regardless of the method of payment under this  
4 section, students employed under a work-study program  
5 covered by an agreement under this part shall be deemed  
6 not to be Federal employees and shall not be subject to  
7 the provisions of laws relating to Federal employment, in-  
8 cluding those relating to hours of work, rates of compensa-  
9 tion, leave, unemployment compensation, and Federal em-  
10 ployee benefits.

11 (c) Nothing in this part shall be construed as restrict-  
12 ing the source (other than this part) from which the institu-  
13 tion may pay its share of the compensation of a student  
14 employed under a work-study program covered by an  
15 agreement under this part.

16 EQUITABLE DISTRIBUTION OF ASSISTANCE

17 SEC. 125. The Director shall establish criteria designed  
18 to achieve an equitable distribution of assistance under this  
19 part among the States and among institutions of higher  
20 education within each State. In developing such criteria,  
21 he shall consider among other relevant factors the ratios of  
22 full-time students in institutions of higher education, unem-



1 ployment, and family income levels. Not more than  $12\frac{1}{2}$   
2 per centum of the sums appropriated or allocated for any  
3 fiscal year to carry out the purposes of this part shall be  
4 used within any one State.

5 TITLE II—URBAN AND RURAL COMMUNITY  
6 ACTION PROGRAMS

7 STATEMENT OF PURPOSE

8 SEC. 201. The purpose of this title is to provide stimu-  
9 lation and incentive for urban and rural communities to  
10 mobilize their resources, public and private, to combat  
11 poverty through community action programs.

12 COMMUNITY ACTION PROGRAMS

13 SEC. 202. (a) The term “community action program”  
14 means a program—

15 (1) which mobilizes and utilizes, in an attack on  
16 poverty, public and private resources of any urban or  
17 rural, or combined urban and rural, geographical area  
18 (referred to in this title as a “community”), including  
19 but not limited to a State, metropolitan area, county,  
20 city, town, multicity unit, or multicounty unit;

21 (2) which provides services, assistance, and other

1 activities of sufficient variety, scope, and size to give  
2 promise of progress toward elimination of poverty  
3 through developing employment opportunities, improv-  
4 ing human performance, motivation, and productivity,  
5 and bettering the conditions under which people live,  
6 learn, and work;

7 (3) which is developed, conducted, and adminis-  
8 tered with the maximum feasible participation of resi-  
9 dents of the areas and members of the groups referred  
10 to in section 204 (a) ; and

11 (4) which is conducted, administered, or coordi-  
12 nated by a public or private nonprofit agency (referred  
13 to in this title as a "community action organization")  
14 which is broadly representative of the community.

15 (b) The Director is authorized to prescribe such addi-  
16 tional criteria for community action programs as he shall  
17 deem appropriate.

18 FINANCIAL ASSISTANCE FOR DEVELOPMENT OF  
19 COMMUNITY ACTION PROGRAMS

20 SEC. 203. The Director is authorized to make grants to,  
21 or to contract with, community action organizations, or,  
22 if he deems it necessary to effectuate the purposes of this  
23 title, other appropriate public agencies or private nonprofit  
24 organizations, to pay part or all of the costs of development  
25 of community action programs.

1 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRA-  
2 TION OF COMMUNITY ACTION PROGRAMS

3 SEC. 204. (a) The Director is authorized to make  
4 grants to, or to contract with, community action organiza-  
5 tions or other appropriate public agencies or private non-  
6 profit organizations to pay part or all of the costs of com-  
7 munity action programs which have been approved by him  
8 pursuant to this title, including the cost of carrying out pro-  
9 grams which are components of a community action pro-  
10 gram and which are designed to achieve the purposes of this  
11 title. Such component programs shall be focused upon the  
12 needs of low-income individuals and families and shall pro-  
13 vide, in particular areas or to particular groups in a com-  
14 munity, expanded and improved services, assistance, and  
15 other activities, and facilities necessary in connection there-  
16 with, in the fields of education, employment, job training  
17 and counseling, health, vocational rehabilitation, housing,  
18 home management, welfare, and other fields which fall  
19 within the purposes of this title.

20 (b) Any elementary or secondary school education  
21 program assisted under this section shall be administered by  
22 the public educational agency or agencies principally respon-  
23 sible for providing public elementary and secondary educa-  
24 tion in the area involved. No child shall be denied the



1 benefit of such a program because he is not regularly enrolled  
2 in the public schools.

3 (c) Assistance under this section may be extended for  
4 a limited period, even though a community has not com-  
5 pleted and put into effect its community action program,  
6 if the Director determines that there is a representative  
7 group engaged in developing such a program in the com-  
8 munity, and that extension of such assistance will further  
9 the purposes of this title with respect to such community  
10 and will not impede the development and carrying out of  
11 a community action program. After June 30, 1965, ex-  
12 penditures under this subsection in any fiscal year shall not  
13 exceed 20 per centum of the sums appropriated or allocated  
14 for such year to carry out the purposes of this title.

15 (d) In determining whether to extend assistance under  
16 this section the Director shall consider among other relevant  
17 factors the incidence of poverty within the community and  
18 within the areas or groups to be affected by the specific  
19 program or programs, and the extent to which the applicant  
20 is in a position to utilize efficiently and expeditiously the  
21 assistance for which application is made. In determining  
22 the incidence of poverty the Director shall consider informa-  
23 tion available with respect to such factors as: the concentra-  
24 tion of low-income families, particularly those with children;

1 the extent of persistent unemployment and underemploy-  
2 ment; the number and proportion of persons receiving cash  
3 or other assistance on a needs basis from public agencies or  
4 private organizations; the number of migrant or transient  
5 low-income families; school dropout rates, military service  
6 rejection rates, and other evidences of low educational attain-  
7 ment; the incidence of disease, disability, and infant mortal-  
8 ity; housing conditions; adequacy of community facilities and  
9 services; and the incidence of crime and juvenile delin-  
10 quency.

11 (e) In extending assistance under this section the Direc-  
12 tor shall give special consideration to programs which give  
13 promise of effecting a permanent increase in the capacity of  
14 individuals, groups, and communities to deal with their prob-  
15 lems without further assistance.

#### 16 TECHNICAL ASSISTANCE

17 SEC. 205. The Director is authorized to provide, either  
18 directly or through grants or other arrangements, (a) techni-  
19 cal assistance to communities in developing, conducting, and  
20 administering community action programs, and (b) training  
21 for specialized personnel needed to develop, conduct, or  
22 administer such programs or to provide services or other  
23 assistance thereunder.

## 1 RESEARCH, TRAINING, AND DEMONSTRATIONS

2 SEC. 206. The Director is authorized to conduct, or to  
3 make grants to or enter into contracts with institutions of  
4 higher education or other appropriate public agencies or  
5 private nonprofit organizations for the conduct of, research,  
6 training, and demonstrations pertaining to the purposes of  
7 this title. Expenditures under this section in any fiscal year  
8 shall not exceed 15 per centum of the sums appropriated  
9 or allocated for such year to carry out the purposes of this  
10 title.

## 11 LIMITATIONS ON FEDERAL ASSISTANCE

12 SEC. 207. (a) Assistance pursuant to sections 203 and  
13 204 paid for the period ending two years after the date of  
14 enactment of this Act, or June 30, 1966, whichever is later,  
15 shall not exceed 90 per centum of the costs referred to in  
16 those sections, respectively, and thereafter shall not exceed  
17 75 per centum of such costs, unless the Director determines,  
18 pursuant to regulations adopted and promulgated by him  
19 establishing objective criteria for such determinations, that  
20 assistance in excess of such percentage is required in further-  
21 ance of the purposes of this title. Non-Federal contributions  
22 may be in cash or in kind, fairly evaluated, including but not  
23 limited to plant, equipment, and services.

24 (b) The expenditures or contributions made from non-  
25 Federal sources for a community action program or compo-



1    nent thereof shall be in addition to the aggregate expendi-  
2    tures or contributions from non-Federal sources which were  
3    being made for similar purposes prior to the extension of  
4    Federal assistance.

5                    PARTICIPATION OF STATE AGENCIES

6            SEC. 208. (a) The Director shall establish procedures  
7    which will facilitate effective participation of the States in  
8    community action programs. Such procedures shall include  
9    provision for the referral of applications for assistance under  
10   this title to the Governor of each State affected, or his desig-  
11   nee, for such comments as he may deem appropriate.

12           (b) The Director is authorized to make grants to, or to  
13   contract with, appropriate State agencies for the payment  
14   of the expenses of such agencies in providing technical assist-  
15   ance to communities in developing, conducting, and admin-  
16   istering community action programs.

17                    EQUITABLE DISTRIBUTION OF ASSISTANCE

18            SEC. 209. The Director shall establish criteria designed  
19   to achieve an equitable distribution of assistance under this  
20   title among the States and between urban and rural areas.  
21   In developing such criteria, he shall consider the relative  
22   numbers in the States or areas therein of: (a) low-income  
23   families, particularly those with children; (b) unemployed  
24   persons; (c) persons receiving cash or other assistance on  
25   a needs basis from public agencies or private organizations;

1 (d) school dropouts; (e) adults with less than an eighth-  
2 grade education; and (f) persons rejected for military serv-  
3 ice. Not more than  $12\frac{1}{2}$  per centum of the sums appropri-  
4 ated or allocated for any fiscal year to carry out the purposes  
5 of this title shall be used for grants or contracts pursuant to  
6 sections 203 and 204 within any one State.

7 PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

8 SEC. 210. In determining whether to extend assistance  
9 under any other title of this Act, the Director shall, to the  
10 extent feasible, give preference to programs and projects  
11 which are components of a community action program ap-  
12 proved pursuant to this title.

13 TITLE III—SPECIAL PROGRAMS TO COMBAT  
14 POVERTY IN RURAL AREAS

15 STATEMENT OF PURPOSE

16 SEC. 301. It is the purpose of this title to meet some of  
17 the special problems of rural poverty and thereby to raise  
18 and maintain the income and living standards of low-income  
19 rural families.

20 AUTHORITY TO MAKE GRANTS AND LOANS

21 SEC. 302. (a) The Director is authorized to make—

22 (1) grants of not to exceed \$1,500 to low-income  
23 rural families where, in the judgment of the Director,  
24 such grants have a reasonable possibility of effecting a

1 permanent increase in the income of such families by  
2 assisting or permitting them to—

3 (A) acquire or improve real estate or reduce  
4 encumbrances or erect improvements thereon,

5 (B) operate or improve the operation of farms  
6 not larger than family sized,

7 (C) participate in cooperative associations, or

8 (D) finance nonagricultural enterprises which  
9 will enable such families to supplement their in-  
10 come; and

11 (2) loans to such families, having a maximum ma-  
12 turity of fifteen years and in amounts not exceeding  
13 \$2,500 in the aggregate to any family at any one time,  
14 for the purpose set forth in subparagraph (a) (1) (D)  
15 of this section.

16 (b) Grants under this section shall be made only if  
17 the family is not qualified to obtain such funds by loan under  
18 other Federal programs: *Provided, however,* That nothing  
19 herein shall be construed to prevent the making of grants  
20 where appropriate in combination with or as supplements  
21 to loans made under this program or other Federal programs.

22 FAMILY FARM DEVELOPMENT CORPORATIONS

23 SEC. 303. (a) The Director is authorized to cooperate  
24 with, furnish technical assistance to, and otherwise assist in



1 the organization of public or private nonprofit corporations  
2 having as their objective the improvement of the productivity  
3 and income of low-income farmers. Such corporations shall  
4 be eligible for assistance under this section if they are or-  
5 ganized for the purpose of and have the power to acquire  
6 real property or any interest therein in rural areas, to de-  
7 velop or reconstitute such real property into units not larger  
8 than family farms, including necessary fences, farm build-  
9 ings, land and water development, and related facilities, and  
10 to sell the farms so developed or reconstituted to low-income  
11 farm families at prices equal to their appraised value when  
12 used for agricultural purposes and in a manner that the Di-  
13 rector determines will further the purposes of this title.

14 (b) The Director may prescribe such rules and regula-  
15 tions regarding the organization, financial resources, opera-  
16 tions, and activities of such corporations as he deems appro-  
17 priate.

18 (c) The Director is authorized to purchase the obliga-  
19 tions of, or make loans to, such corporations upon such terms  
20 and conditions as he may determine subject to the limitations  
21 of sections 305 and 306.

22 (d) The Director is authorized to make grants to such  
23 corporations in amounts sufficient to make up the deficiency  
24 between the cost of the farms developed or reconstituted by

1 them and the net proceeds received from the sale of such  
2 farms at the prices specified in subsection (a).

3 COOPERATIVE ASSOCIATIONS

4 SEC. 304. The Director is authorized to make loans to  
5 local cooperative associations furnishing essential production,  
6 processing, purchasing, or marketing services, supplies, or  
7 facilities predominantly to low-income rural families.

8 LIMITATIONS ON ASSISTANCE

9 SEC. 305. No financial or other assistance shall be pro-  
10 vided under this title unless the Director determines that—

11 (a) the providing of such assistance will materially  
12 further the purposes of this title, and

13 (b) in the case of assistance provided pursuant to  
14 sections 303 and 304, the applicant is fulfilling or will  
15 fulfill a need for services, facilities, or activities which  
16 is not otherwise being met.

17 LOAN TERMS AND CONDITIONS

18 SEC. 306. Loans made pursuant to sections 302, 303,  
19 and 304 (including obligations purchased pursuant to sec-  
20 tion 303) shall have such terms and conditions as the Di-  
21 rector shall determine, subject to the following limitations:

22 (a) there is reasonable assurance of repayment of  
23 the loan;

24 (b) the credit is not otherwise available on reason-

1       able terms from private sources or other Federal, State,  
2       or local programs;

3           (c) the amount of the loan, together with other  
4       funds available, is adequate to assure completion of the  
5       project or achievement of the purposes for which the loan  
6       is made;

7           (d) the loan bears interest at a rate not less than  
8       (1) a rate determined by the Secretary of the Treasury,  
9       taking into consideration the average market yield on  
10      outstanding Treasury obligations of comparable maturity,  
11      plus (2) such additional charge, if any, toward cover-  
12      ing other costs of the program as the Director may  
13      determine to be consistent with its purposes; and

14          (e) with respect to loans made pursuant to sections  
15      303 and 304, the loan is repayable within not more  
16      than thirty years.

17   TITLE   IV—EMPLOYMENT   AND   INVESTMENT  
18                                   INCENTIVES

19                           STATEMENT OF PURPOSE

20      SEC. 401. It is the purpose of this title to provide new  
21   training and employment opportunities for long-term un-  
22   employed persons; to assist in the establishment, preserva-



1 tion, and strengthening of small business concerns and im-  
2 prove the managerial skills employed in such enterprises;  
3 and to mobilize for these objectives private as well as public  
4 managerial skills and resources.

5 PART A—INCENTIVES FOR EMPLOYMENT OF LONG-TERM  
6 UNEMPLOYED PERSONS

7 LOANS, PARTICIPATIONS, AND GUARANTIES

8 SEC. 411. (a) The Director is authorized to make, par-  
9 ticipate (on an immediate basis) in, or guarantee loans to  
10 private borrowers, repayable in not more than twenty-five  
11 years, when he determines that such financial assistance will  
12 result in stable employment for persons not already employed  
13 by the borrower, a majority of whom will be recruited from  
14 among the long-term unemployed and members of low-  
15 income families.

16 (b) The amount of any loan, participation, or guaranty  
17 made hereunder shall not exceed an amount equal to \$10,000  
18 multiplied by the number of persons to be employed by the  
19 borrower as a result of the financial assistance.

20 LIMITATIONS ON FINANCIAL ASSISTANCE

21 SEC. 412. No financial assistance shall be extended pur-  
22 suant to this part unless—

1           (a) the Director determines that the assistance will  
2           not be used in relocating establishments from one area to  
3           another; and

4           (b) the assistance is extended in accordance with  
5           and as part of a community action program approved  
6           pursuant to title II of this Act.

7                           PROVISION FOR LOSSES ON GUARANTIES

8           SEC. 413. The Director shall make a reasonable provi-  
9           sion for possible losses with respect to guaranties under this  
10          part, but such provision shall be not less than 15 per centum  
11          of the guaranties in force at any time. The amounts so pro-  
12          vided and set aside within appropriations shall be considered  
13          to constitute obligations for purposes of section 1311 of the  
14          Supplemental Appropriation Act, 1955 (31 U.S.C. 200).

15                           LOAN TERMS AND CONDITIONS

16          SEC. 414. Loans made pursuant to section 411 (in-  
17          cluding immediate participations in and guaranties of such  
18          loans) shall have such terms and conditions as the Director  
19          shall determine, subject to the following limitations—

20               (a) there is reasonable assurance of repayment  
21               of the loan;

22               (b) the financial assistance is not otherwise avail-

1     able on reasonable terms from private sources or other  
2     Federal, State, or local programs;

3             (c) the amount of the loan, together with other  
4     funds available, is adequate to assure completion of the  
5     project or achievement of the purposes for which the  
6     loan is made;

7             (d) the loan bears interest at a rate not less than  
8     (1) a rate determined by the Secretary of the Treasury,  
9     taking into consideration the average market yield on  
10    outstanding Treasury obligations of comparable ma-  
11    turity, plus (2) such additional charge, if any, toward  
12    covering other costs of the program as the Director  
13    may determine to be consistent with its purposes: *Pro-*  
14    *vided, however,* That the rate of interest charged on  
15    loans made in redevelopment areas designated under  
16    the Area Redevelopment Act (42 U.S.C. 2501 et seq.)  
17    shall not exceed the rate currently applicable to new  
18    loans made under section 6 of that Act (42 U.S.C.  
19    2505) ; and

20            (e) fees not in excess of amounts necessary to  
21    cover administrative expenses and probable losses may  
22    be required on loan guaranties.



## 1                   PART B—SMALL BUSINESS LOANS

## 2                   LOANS, PARTICIPATIONS, AND GUARANTIES

3           SEC. 421. The Director is authorized to make, partici-  
4   pate (on an immediate basis) in, or guarantee loans, repay-  
5   able in not more than fifteen years, to any small business con-  
6   cern (as defined in section 3 of the Small Business Act (15  
7   U.S.C. 632) and regulations issued thereunder), or to any  
8   qualified person seeking to establish such a concern, when he  
9   determines that such loans will assist in carrying out the  
10   purposes of this title: *Provided, however,* That no such loans  
11   shall be made, participated in, or guaranteed if the total of  
12   such Federal assistance to a single borrower outstanding at  
13   any one time would exceed \$15,000. The Director may  
14   defer payments on the principal of such loans for a grace  
15   period and use such other methods as he deems necessary  
16   and appropriate to assure the successful establishment and  
17   operation of such concern. The Director may, in his dis-  
18   cretion, as a condition of such financial assistance, require  
19   that the borrower take steps to improve his management  
20   skills by participating in a management training program  
21   approved by the Director. The Director shall encourage, as  
22   far as possible, the participation of the private business com-  
23   munity in the program of assistance to such concerns.

## COORDINATION WITH COMMUNITY ACTION PROGRAMS

SEC. 422. No financial assistance shall be provided under section 421 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

## FINANCING UNDER SMALL BUSINESS ACT

SEC. 423. Such lending and guaranty functions under this part as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

## LOAN TERMS AND CONDITIONS

SEC. 424. Loans made pursuant to section 421 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the limitations set forth in paragraphs (a) through (e) of section 414.

## 1        TITLE V—FAMILY UNITY THROUGH JOBS

## 2                                STATEMENT OF PURPOSE

3        SEC. 501. It is the purpose of this title to expand the  
4 opportunities for constructive work experience and other  
5 needed training or basic education available to persons who  
6 are unable to support or care for their families.

## 7                                PAYMENTS FOR EXPERIMENTAL, PILOT, AND

## 8                                DEMONSTRATION PROJECTS

9        SEC. 502. In order to stimulate the adoption by States  
10 of programs designed to help unemployed fathers and other  
11 members of needy families with children to secure and retain  
12 employment or to attain or retain capability for self-support  
13 or personal independence, the Director is authorized to trans-  
14 fer funds appropriated or allocated to carry out the purposes  
15 of this title to the Secretary of Health, Education, and Wel-  
16 fare to enable him to make payments for experimental, pilot,  
17 or demonstration projects under section 1115 of the Social  
18 Security Act (42 U.S.C. 1315), in addition to the sums  
19 otherwise available pursuant thereto. The costs of such  
20 projects to the United States for the fiscal year ending June  
21 30, 1965, shall, notwithstanding the provisions of such Act,  
22 be met entirely from funds appropriated or allocated to carry  
23 out the purposes of this title.



TITLE VI—ADMINISTRATION AND  
COORDINATION

PART A—ADMINISTRATION

OFFICE OF ECONOMIC OPPORTUNITY

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office four Deputy Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5 (b) of the Reorganization Act of 1949 (5 U.S.C. 133z-3 (b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) Section 103 (a) of the Federal Executive Pay Act

1 of 1956 (5 U.S.C. 2202 (a) ) is amended by adding the  
2 following clause thereto:

3 “(6) Director of the Office of Economic Oppor-  
4 tunity.”

5 (d) Section 105 of the Federal Executive Pay Act of  
6 1956 (5 U.S.C. 2204) is amended by adding the following  
7 clause thereto:

8 “(32) Deputy Director of the Office of Economic  
9 Opportunity.”

10 (e) Section 106 (a) of the Federal Executive Pay Act  
11 of 1956 (5 U.S.C. 2205 (a) ) is amended by adding the  
12 following clause thereto:

13 “(52) Deputy Directors of the Office of Economic  
14 Opportunity (3).”

15 AUTHORITY OF DIRECTOR

16 SEC. 602. In addition to the authority conferred upon  
17 him by other sections of this Act, the Director is authorized,  
18 in carrying out his functions under this Act, to—

19 (a) appoint in accordance with the civil service  
20 laws such personnel as may be necessary to enable the  
21 Office to carry out its functions, and, except as other-  
22 wise provided herein, fix their compensation in accord-  
23 ance with the Classification Act of 1949 (5 U.S.C. 1071  
24 et seq.) ;

25 (b) employ experts and consultants or organizations

1        thereof as authorized by section 15 of the Act of August  
2        2, 1946 (5 U.S.C. 55a), compensate individuals so  
3        employed at rates not in excess of \$100 per diem, in-  
4        cluding travel time, and allow them, while away from  
5        their homes or regular places of business, travel expenses  
6        (including per diem in lieu of subsistence) as authorized  
7        by law (5 U.S.C. 73b-2) for persons in the Govern-  
8        ment service employed intermittently, while so em-  
9        ployed: *Provided, however,* That contracts for such em-  
10       employment may be renewed annually;

11       (c) appoint, without regard to the civil service  
12       laws, one or more advisory committees composed of  
13       such private citizens and officials of the Federal, State,  
14       and local governments as he deems desirable to advise  
15       him with respect to his functions under this Act; and  
16       members of such committees (including the National  
17       Advisory Council established in section 605), other than  
18       those regularly employed by the Federal Government,  
19       while attending meetings of such committees or other-  
20       wise serving at the request of the Director, shall be en-  
21       titled to receive compensation and travel expenses as  
22       provided in subsection (b) with respect to experts and  
23       consultants;

24       (d) with the approval of the President, arrange  
25       with and reimburse the heads of other Federal agencies



1 for the performance of any of his functions under this  
2 Act and, as necessary or appropriate, delegate any of  
3 his powers under this Act and authorize the redelegation  
4 thereof;

5 (e) utilize, with their consent, the services and  
6 facilities of Federal agencies without reimbursement,  
7 and, with the consent of any State or a political sub-  
8 division of a State, accept and utilize the services and  
9 facilities of the agencies of such State or subdivision  
10 without reimbursement;

11 (f) accept in the name of the Office, and employ or  
12 dispose of in furtherance of the purposes of this Act,  
13 or of any title thereof, any money or property, real,  
14 personal, or mixed, tangible or intangible, received by  
15 gift, devise, bequest, or otherwise;

16 (g) accept voluntary and uncompensated services,  
17 notwithstanding the provisions of section 3679 (b) of  
18 the Revised Statutes (31 U.S.C. 665 (b) ) ;

19 (h) allocate and expend, or transfer to other Fed-  
20 eral agencies for expenditure, funds made available under  
21 this Act as he deems necessary to carry out the provi-  
22 sions hereof, including (without regard to the provisions  
23 of section 4774 (d) of title 10, United States Code)  
24 expenditures for construction, repairs, and capital  
25 improvements;

1           (i) disseminate, without regard to the provisions  
2 of section 321n of title 39, United States Code, data and  
3 information, in such form as he shall deem appropriate,  
4 to public agencies, private organizations, and the general  
5 public;

6           (j) adopt an official seal, which shall be judicially  
7 noticed;

8           (k) notwithstanding any other provision of law  
9 relating to the acquisition, handling, or disposal of real  
10 or personal property by the United States, deal with,  
11 complete, rent, renovate, modernize, or sell for cash  
12 or credit at his discretion any properties acquired by  
13 him in connection with loans, participations, and guar-  
14 anties made by him pursuant to titles III and IV of this  
15 Act;

16           (l) collect or compromise all obligations to or  
17 held by him and all legal or equitable rights accruing  
18 to him in connection with the payment of obligations  
19 until such time as such obligations may be referred  
20 to the Attorney General for suit or collection; and

21           (m) establish such policies, standards, criteria, and  
22 procedures, prescribe such rules and regulations, enter  
23 into such contracts and agreements with public agencies  
24 and private organizations and persons, make such pay-  
25 ments (in lump sum or installments, and in advance

1 or by way of reimbursement, and in the case of grants,  
2 with necessary adjustments on account of overpayments  
3 or underpayments), and generally perform such func-  
4 tions and take such steps as he may deem to be neces-  
5 sary or appropriate to carry out the provisions of this  
6 Act.

7 VOLUNTEERS FOR AMERICA

8 SEC. 603. (a) The Director is authorized to recruit,  
9 select, train, and--

10 (1) upon request, refer volunteers to perform duties  
11 in furtherance of programs of assistance at a State or  
12 local level; and

13 (2) in cooperation with other Federal, State, or  
14 local agencies involved, assign volunteers to work (A)  
15 in meeting the health and education needs of Indians  
16 living on reservations, of migratory workers and their  
17 families, or of residents of the District of Columbia, the  
18 Commonwealth of Puerto Rico, Guam, American  
19 Samoa, the Virgin Islands, or the Trust Territory of the  
20 Pacific Islands; (B) in the care and rehabilitation of the  
21 mentally ill and mentally retarded under treatment at  
22 nonprofit mental health and mental retardation facilities  
23 assisted in their construction or operation by Federal  
24 funds; and (C) in furtherance of federally operated pro-



1       grams or activities authorized by titles I and II of this  
2       Act.

3       (b) The referral or assignment of volunteers shall be on  
4       such terms and conditions as the Director may determine, but  
5       volunteers shall not be referred or assigned to duties or work  
6       in any State without the consent of the Governor.

7       (c) The Director is authorized to provide to all volun-  
8       teers during training and to volunteers assigned pursuant to  
9       subsection (a) (2) such stipend, not to exceed \$50 per  
10      month, such living, travel, and leave allowances, and such  
11      housing, transportation (including travel to and from the  
12      place of training), supplies, equipment, subsistence, clothing,  
13      and health and dental care as the Director may deem neces-  
14      sary or appropriate for their needs.

15      (d) Volunteers shall be deemed not to be Federal em-  
16      ployees and shall not be subject to the provisions of laws  
17      relating to Federal employment, including those relating to  
18      hours of work, rates of compensation, leave, unemployment  
19      compensation, and Federal employee benefits, except that  
20      all volunteers during training and such volunteers as are  
21      assigned pursuant to subsection (a) (2) shall be deemed  
22      Federal employees to the same extent as enrollees of the  
23      Corps under section 107 (b), (c), and (d) of this Act.

1                                   ECONOMIC OPPORTUNITY COUNCIL

2           SEC. 604. (a) There is hereby established an Economic  
3 Opportunity Council, which shall consult with and advise  
4 the Director in carrying out his functions, including the  
5 coordination of antipoverty efforts by all segments of the  
6 Federal Government.

7           (b) The Council shall include the Director, who shall  
8 be Chairman, the Secretary of Defense, the Attorney Gen-  
9 eral, the Secretaries of the Interior, Agriculture, Commerce,  
10 Labor, and Health, Education, and Welfare, the Housing  
11 and Home Finance Administrator, the Administrator of the  
12 Small Business Administration, the Chairman of the Coun-  
13 cil of Economic Advisers, the Director of Selective Service,  
14 and such other agency heads as the President may designate,  
15 or delegates thereof.

16                                   NATIONAL ADVISORY COUNCIL

17           SEC. 605. There is hereby established in the Office a  
18 National Advisory Council. The Council shall be composed  
19 of the Director, who shall be Chairman, and not more than  
20 fourteen additional members appointed by the President,  
21 without regard to the civil service laws, who shall be repre-  
22 sentative of the public in general and appropriate fields of  
23 endeavor related to the purposes of this Act. Upon the  
24 request of the Director, the Council shall review the opera-  
25 tions and activities of the Office, and shall make such recom-

1 mendations with respect thereto as are appropriate. The  
2 Council shall meet at least once each year and at such other  
3 times as the Director may request.

#### 4 REVOLVING FUND

5 SEC. 606. (a) To carry out the lending and guaranty  
6 functions authorized under titles III and IV of this Act,  
7 there is authorized to be established a revolving fund. The  
8 capital of the fund shall consist of such amounts as may be  
9 advanced to it by the Director from funds appropriated pur-  
10 suant to section 701 and shall remain available until  
11 expended.

12 (b) The Director shall pay into miscellaneous receipts  
13 of the Treasury, at the close of each fiscal year, interest on  
14 the capital of the fund at a rate determined by the Secretary  
15 of the Treasury, taking into consideration the average market  
16 yield on outstanding Treasury obligations of comparable  
17 maturity during the last month of the preceding fiscal year.  
18 Interest payments may be deferred with the approval of the  
19 Secretary of the Treasury, but any interest payments so de-  
20 ferred shall themselves bear interest.

21 (c) Whenever any capital in the fund is determined by  
22 the Director to be in excess of current needs, such capital  
23 shall be credited to the appropriation from which advanced,  
24 where it shall be held for future advances.

25 (d) Receipts from any lending and guaranty operations



1 under this Act (except operations under part B of title IV  
2 carried on by the Small Business Administration) shall be  
3 credited to the fund. The fund shall be available for the pay-  
4 ment of all expenditures of the Director for loans, participa-  
5 tions, and guaranties authorized under titles III and IV of  
6 this Act.

#### 7 REPORTS

8 SEC. 607. Not later than one hundred and twenty days  
9 after the close of each fiscal year, the Director shall prepare  
10 and submit to the President for transmittal to the Congress a  
11 full and complete report on the activities of the Office during  
12 such year.

#### 13 DEFINITIONS

14 SEC. 608. As used in this Act:

15 (a) The term "State" means a State, the Common-  
16 wealth of Puerto Rico, the District of Columbia, Guam,  
17 American Samoa, or the Virgin Islands, and the term  
18 "United States," when used in a geographical sense, includes  
19 the foregoing and all other places, continental or insular,  
20 including the Trust Territory of the Pacific Islands, subject  
21 to the jurisdiction of the United States.

22 (b) The term "agency," unless the context requires  
23 otherwise, means department, agency, or other component  
24 of a Federal, State, or local governmental entity.

1     PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

2                     COORDINATION

3         SEC. 611. In order to insure that all Federal programs  
4 related to the purposes of this Act are carried out in a co-  
5 ordinated manner—

6             (a) the Director is authorized to call upon other  
7 Federal agencies to supply such statistical data, program  
8 reports, and other materials as he deems necessary to  
9 discharge his responsibilities under this Act, and to  
10 assist the President in coordinating the antipoverty  
11 efforts of all Federal agencies;

12            (b) Federal agencies which are engaged in admin-  
13 istering programs related to the purposes of this Act, or  
14 which otherwise perform functions relating thereto,  
15 shall—

16               (1) cooperate with the Director in carrying  
17 out his duties and responsibilities under this Act;  
18 and

19               (2) carry out their programs and exercise  
20 their functions in such manner as will, to the maxi-  
21 mum extent permitted by other applicable law,  
22 assist in carrying out the purposes of this Act; and

23            (c) the President may direct that particular pro-  
24 grams and functions, including the expenditure of funds,  
25 of the Federal agencies referred to in subsection (b)

1 shall be carried out, to the extent not inconsistent with  
2 other applicable law, in conjunction with or in support  
3 of programs authorized under this Act.

4 PREFERENCE TO COMMUNITY ACTION PROGRAMS

5 SEC. 612. To the extent feasible and consistent with the  
6 provisions of law governing any Federal program and with  
7 the purposes of this Act, the head of each Federal agency  
8 administering any Federal program is directed to give pref-  
9 erence to any application for assistance or benefits which is  
10 made pursuant to or in connection with a community action  
11 program approved pursuant to title II of this Act.

12 INFORMATION CENTER

13 SEC. 613. In order to insure that all Federal programs  
14 related to the purposes of this Act are utilized to the maxi-  
15 mum extent possible, and to insure that information concern-  
16 ing such programs and other relevant information is readily  
17 available in one place to public officials and other interested  
18 persons, the Director is authorized as he deems appropriate  
19 to collect, prepare, analyze, correlate, and distribute such  
20 information, either free of charge or by sale at cost (any  
21 funds so received to be deposited to the Director's account  
22 as an offset to such cost), and make arrangements and pay  
23 for any printing and binding without regard to the provisions  
24 of any other law or regulation.



1           TITLE VII—AUTHORIZATION OF  
2                   APPROPRIATIONS

3       SEC. 701. For the purpose of carrying out the provisions  
4 of this Act, there are hereby authorized to be appropriated  
5 to the Director for the fiscal year ending June 30, 1965, the  
6 sum of \$962,500,000, and thereafter such sums as are neces-  
7 sary to carry out this Act, to be available until expended.

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# A BILL

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To mobilize the human and financial resources  
of the Nation to combat poverty in the  
United States.

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By Mr. LANDRUM

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MARCH 16, 1964

Referred to the Committee on Education and Labor



If we now move forward against this enemy—if we can bring to the challenges of peace the same determination and strength which has brought us victory in war—then this day and this Congress will have won a secure and honorable place in the history of the Nation, and the enduring gratitude of generations of Americans yet to come.

LYNDON B. JOHNSON.  
THE WHITE HOUSE, March 16, 1964.

## ECONOMIC OPPORTUNITY ACT OF 1964

Mr. HUMPHREY. May I yield to the Senator from Michigan?

Mr. RUSSELL. Madam President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Does the Senator from Georgia yield to the Senator from Michigan?

Mr. McNAMARA. Will the Senator from Georgia yield for the purpose of introducing a bill?

Mr. RUSSELL. Yes. I first yield to the Senator from Michigan.

Mr. McNAMARA. Madam President, I introduce, for appropriate reference, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

I ask unanimous consent that the text of the bill be printed in the RECORD—together with a section-by-section analysis.

I further ask unanimous consent that the bill be permitted to lie on the desk until the close of the Senate session on Thursday, March 19—so that any Senator who wishes to cosponsor may do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis will be printed in the RECORD, and the bill will lie on the desk, as requested by the Senator from Michigan.

The bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States, introduced by Mr. McNAMARA (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Act of 1964."*

### FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education

and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

### TITLE I—YOUTH PROGRAMS

#### Part A—Job Corps

##### Statement of Purpose

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of youths aged sixteen through twenty-one by providing them in residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

##### Establishment of Job Corps

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

##### Job Corps Program

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part;

(b) provide education and vocational training to enrollees in the Corps or, where appropriate, arrange for the provision thereof by another Federal agency or by State or local public educational agencies;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

##### Composition of the Corps

SEC. 104. (a) The Corps shall be composed of male individuals who are permanent residents of the United States, who have attained age sixteen, but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.).

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

##### Allowances and Maintenance

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his enrollment in the Corps, each enrollee shall be entitled to

receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however, That under such circumstances as the Director may determine, a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a dependent (as that term is defined in section 401 of title 37, United States Code) and any sum so paid shall be supplemented by the payment of an equal amount to the dependent by the Director.* In the event of the enrollee's death during the period of his service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

##### Application of Provisions of Federal Law

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of Title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c) (1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection—

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee

(i) while he is on authorized leave or pass; or

(ii) while he is absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.).

(C) The term "injury" as defined in section 40 of the Federal Employees' Compensation Act (5 U.S.C. 790) shall include disease, illness, or injury if it arises out of service in the Corps.

(D) Compensation for disability, including medical care, shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal Tort Claims Act (28 U.S.C. 2671 et seq.).

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strengths under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.



### Part B—Work-training programs

#### Statement of Purpose

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed youths, through participation in State and community work-training programs, so that their employability may be increased or the education resumed or continued and so that public agencies and private nonprofit organizations will be enabled to carry out programs in the field of conservation and development of natural resources and recreational areas, or other programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided.

#### Development of Programs

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

#### Financial Assistance

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

### Enrollees in Programs

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

#### Limitations on Federal Assistance

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 75 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

#### Equitable Distribution of Assistance

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

### Part C—Work-study programs

#### Statement of Purpose

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

#### Agreements for Payment of Compensation

SEC. 122. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 103 of the National Defense Education Act of 1958 (20 U.S.C. 403)) for payment by him of part of the compensation of students employed under work-study programs as hereinafter provided.

#### Conditions of Agreements

SEC. 123. An agreement entered into pursuant to section 122 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work (1) for the institution itself, or (2) under arrangements satisfactory to the Director, for public agencies or private nonprofit organizations whose activities contribute to the objectives of this Act: *Provided, however,* That no such work shall involve the construction, operation, or maintenance of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income

family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

(c) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(d) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments by the Director under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(e) provide for payment by the Director of a portion of the compensation of each student employed under such work-study program in accordance with the agreement, but not to exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

(f) provide, subject to section 124, that the institution undertakes to act, if so requested by the Director, as his agent for the payment of the Director's share of the student's compensation;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### Payments to Students

SEC. 124. (a) The Director's share of the compensation of a student employed under a work-study program covered by an agreement under this part may be paid directly by him to the student; or it may be paid through the employing institution as paying agent for the Director. If the institution is utilized as paying agent, the Director's share may be paid to the institution in advance or by way of reimbursement, in accordance with regulations prescribed by the Director, and the Director may authorize the institution to combine the Director's share and the remainder of the student's compensation in a single payment to the student.

(b) Regardless of the method of payment under this section, students employed under a work-study program covered by an agreement under this part shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### Equitable Distribution of Assistance

SEC. 125. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States and among institutions of higher education within each State. In developing



such criteria, he shall consider among other relevant factors the ratios of full-time students in institutions of higher education, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within one State.

#### TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

##### Statement of Purpose

Sec. 201. The purpose of this title is to provide stimulation and incentive for urban and rural communities to mobilize their resources, public and private, to combat poverty through community action programs.

##### Community Action Programs

Sec. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes, in an attack on poverty, public and private resources of any urban or rural, or combined urban and rural, geographical area (referred to in this title as a "community"), including but not limited to a State, metropolitan area, county, city, town, multi-city unit, or multi-county unit;

(2) which provides services, assistance, and other activities of sufficient variety, scope, and size to give promise of progress toward elimination of poverty through developing employment opportunities, improving human performance, motivation, and productivity, and bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups referred to in section 204(a); and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (referred to in this title as a "community action organization") which is broadly representative of the community.

(b) The Director is authorized to prescribe such additional criteria for community action programs as he shall deem appropriate.

##### Financial Assistance for Development of Community Action Programs

Sec. 203. The Director is authorized to make grants to, or to contract with, community action organizations, or, if he deems it necessary to effectuate the purposes of this title, other appropriate public agencies or private nonprofit organizations, to pay part or all of the costs of development of community action programs.

##### Financial Assistance for Conduct and Administration of Community Action Programs

Sec. 204. (a) The Director is authorized to make grants to, or to contract with, community action organizations or other appropriate public agencies or private nonprofit organizations to pay part or all of the costs of community action programs which have been approved by him pursuant to this title, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this title. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide, in particular areas or to particular groups in a community, expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith, in the fields of education, employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and other fields which fall within the purposes of this title.

(b) Any elementary or secondary school education program assisted under this section shall be administered by the public educa-

tional agency or agencies principally responsible for providing public elementary and secondary education in the area involved. No child shall be denied the benefit of such a program because he is not regularly enrolled in the public schools.

(c) Assistance under this section may be extended for a limited period, even though a community has not completed and put into effect its community action program, if the director determines that there is a representative group engaged in developing such a program in the community, and that extension of such assistance will further the purposes of this title with respect to such community and will not impede the development and carrying out of a community action program. After June 30, 1965, expenditures under this subsection in any fiscal year shall not exceed twenty percent of the sums appropriated or allocated for such year to carry out the purposes of this title.

(d) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(e) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

##### Technical Assistance

Sec. 205. The Director is authorized to provide, either directly or through grants or other arrangements, (a) technical assistance to communities in developing, conducting, and administering community action programs, and (b) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

##### Research, Training, and Demonstrations

Sec. 206. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private nonprofit organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this title. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this title.

##### Limitations on Federal Assistance

Sec. 207. (a) Assistance pursuant to sections 203 and 204 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 75 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective

criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures and contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

##### Participation of State Agencies

Sec. 208. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this title to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

##### Equitable Distribution of Assistance

Sec. 209. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this title among the States and between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (a) low-income families, particularly those with children; (b) unemployed persons; (c) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (d) school dropouts; (e) adults with less than an eighth grade education; and (f) persons rejected for military service. Not more than 12½ percent of the sums appropriated or allocated for any fiscal year to carry out the purposes of this title shall be used for grants or contracts pursuant to sections 203 and 204 within any one State.

##### Preference for Components of Approved Programs

Sec. 210. In determining whether to extend assistance under any other title of this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this title.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

##### Statement of Purpose

Sec. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families.

##### Authority To Make Grants and Loans

Sec. 302. (a) The Director is authorized to make—

(1) grants of not to exceed \$1,500 to low-income rural families where, in the judgment of the Director, such grants have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger than family-sized,

(C) participate in cooperative associations, or

(D) finance nonagricultural enterprises which will enable such families to supplement their income; and



(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, for the purpose set forth in subparagraph (a) (1) (D) of this section.

(b) Grants under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs: *Provided, however, That nothing herein shall be construed to prevent the making of grants where appropriate in combination with or as supplements to loans made under this program or other Federal programs.*

#### Family Farm Development Corporations

SEC. 303. (a) The Director is authorized to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations having as their objective the improvement of the productivity and income of low-income farmers. Such corporations shall be eligible for assistance under this section if they are organized for the purpose of and have the power to acquire real property or any interest therein in rural areas, to develop or reconstitute such real property into units not larger than family farms, including necessary fences, farm buildings, land and water development, and related facilities, and to sell the farms so developed or reconstituted to low-income farm families at prices equal to their appraised value when used for agricultural purposes and in a manner that the Director determines will further the purposes of this title.

(b) The Director may prescribe such rules and regulations regarding the organization, financial resources, operations, and activities of such corporations as he deems appropriate.

(c) The Director is authorized to purchase the obligations of, or make loans to, such corporations upon such terms and conditions as he may determine subject to the limitations of sections 305 and 306.

(d) The Director is authorized to make grants to such corporations in amounts sufficient to make up the deficiency between the cost of the farms developed or reconstituted by them and the net proceeds received from the sale of such farms at the prices specified in subsection (a).

#### Cooperative Associations

SEC. 304. The Director is authorized to make loans to local cooperative associations furnishing essential production, processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

#### Limitations on Assistance

SEC. 305. No financial or other assistance shall be provided under this title unless the Director determines that

(a) the providing of such assistance will materially further the purposes of this title, and

(b) in the case of assistance provided pursuant to sections 303 and 304, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

#### Loan Terms and Conditions

SEC. 306. Loans made pursuant to sections 302, 303, and 304 (including obligations purchased pursuant to section 303) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the projection or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes; and

(e) with respect to loans made pursuant to sections 303 and 304, the loan is repayable within not more than 30 years.

#### TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

##### Statement of Purpose

SEC. 401. It is the purpose of this title to provide new training and employment opportunities for long-term unemployed persons; to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

##### Part A—Incentives for employment of long-term unemployed persons

##### Loans, Participations, and Guarantees

SEC. 411. (a) The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans to private borrowers, repayable in not more than twenty-five years, when he determines that such financial assistance will result in stable employment for persons not already employed by the borrower, a majority of whom will be recruited from among the long-term unemployed and members of low-income families.

(b) The amount of any loan, participation, or guarantee made hereunder shall not exceed an amount equal to \$10,000 multiplied by the number of persons to be employed by the borrower as a result of the financial assistance.

##### Limitations on Financial Assistance

SEC. 412. No financial assistance shall be extended pursuant to this part unless—

(a) the Director determines that the assistance will not be used in relocating establishments from one area to another; and

(b) the assistance is extended in accordance with and as part of a community action program approved pursuant to title II of this Act.

##### Provision for Losses on Guarantees

SEC. 413. The Director shall make a reasonable provision for possible losses with respect to guarantees under this part, but such provision shall be not less than 15 per centum of the guarantees in force at any time. The amounts so provided and set aside within appropriations shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200).

##### Loan Terms and Conditions

SEC. 414. Loans made pursuant to section 411 (including immediate participations in and guarantees of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge,

if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and*

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

##### Part B—Small business loans

##### Loans, Participations, and Guaranties

SEC. 421. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title: *Provided, however, That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$15,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.*

##### Coordination With Community Action Programs

SEC. 422. No financial assistance shall be provided under section 421 in any community for which the Director has approved a community action program pursuant to Title II of this Act unless such financial assistance is determined by him to be consistent with such program.

##### Financing Under Small Business Act

SEC. 423. Such lending and guaranty functions under this part as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

##### Loan Terms and Conditions

SEC. 424. Loans made pursuant to section 421 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the limitations set forth in paragraphs (a) through (e) of section 414.

#### TITLE V—FAMILY UNITY THROUGH JOBS

##### Statement of Purpose

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training or basic education available to persons who are unable to support or care for their families.

##### Payments for Experimental, Pilot, and Demonstration Projects

SEC. 502. In order to stimulate the adoption by States of programs designed to help unemployed fathers and other members of needy families with children to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to trans-



fer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

#### TITLE IV.—ADMINISTRATION AND COORDINATION Part A—Administration

##### Office of Economic Opportunity

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office four Deputy Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332-3(b)), at any time after 1 year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the Executive Branch as he deems appropriate.

(c) Section 103(a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2202(a)) is amended by adding the following clause thereto:

"(6) Director of the Office of Economic Opportunity."

(d) Section 105 of the Federal Executive Pay Act of 1956 (5 U.S.C. 2204) is amended by adding the following clause thereto:

"(32) Deputy Director of the Office of Economic Opportunity."

(e) Section 106(a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2205(a)) is amended by adding the following clause thereto:

"(52) Deputy Directors of the Office of Economic Opportunity (3)."

##### Authority of Director

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including

the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, device, bequest, or otherwise;

(g) accept voluntary and uncompensated service, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 321n of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and

(m) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

##### Volunteers for America

SEC. 603. (a) The Director is authorized to recruit, select, train, and

(1) upon request, refer volunteers to perform duties in furtherance of programs of assistance at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health and education needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto

Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill and mentally retarded under treatment at nonprofit mental health and mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of Federally-operated programs or activities authorized by titles I and II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 107 (b), (c), and (d) of this Act.

##### Economic Opportunity Council

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

##### National Advisory Council

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

##### Revolving Fund

SEC. 606. (a) To carry out the lending and guarantee functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 701 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secre-



tary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guarantee operations under this Act (except operations under part B of title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

#### Reports

SEC. 607. Not later than one hundred twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### Definitions

SEC. 608. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and the term "United States," when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency," unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

#### Part B—Coordination of antipoverty programs coordination

SEC. 611. In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner:

(a) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(b) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall

(1) cooperate with the Director in carrying out his duties and responsibilities under this Act, and

(2) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(c) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in subsection (b) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

#### Preference to Community Action Programs

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### Information Center

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### TITLE VII—AUTHORIZATION OF APPROPRIATIONS

SEC. 701. For the purpose of carrying out the provisions of this Act, there are hereby authorized to be appropriated to the Director for the fiscal year ending June 30, 1965, the sum of \$962,500,000, and thereafter such sums as are necessary to carry out this Act, to be available until expended.

The section-by-section analysis presented by Mr. McNamara is as follows:

#### SECTION-BY-SECTION ANALYSIS OF THE ECONOMIC OPPORTUNITY ACT OF 1964

The proposed bill is entitled the "Economic Opportunity Act of 1964." Section 2 of the bill declares that it is the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone opportunities for education, training, work, and a life of decency and dignity, and that the purpose of the act is to strengthen, supplement, and coordinate efforts in furtherance of that policy.

#### TITLE I—YOUTH PROGRAMS

Title I provides three separate programs for youth—a job corps, work-training programs, and work-study programs.

#### Part A—Job corps

Section 101 declares that the purpose of this part is to increase the employability of youths aged 16–21 by providing them in residential centers with education, vocational training, useful work experience, and other appropriate activities.

Section 102 establishes a job corps within the Office of Economic Opportunity created by title VI.

Section 103 authorizes the Director of the Office to (a) enter into agreements with public or private organizations for the provision of necessary facilities and services; (b) provide education and vocational training to enrollees in the corps or arrange for their provision by public educational agencies; (c) provide useful work experience; (d) furnish health services; and (e) prescribe rules and regulations to govern the corps.

Section 104 provides that the corps shall be composed of males aged 16 through 21 who are permanent residents of the United States. Participation in the corps shall not relieve an enrollee of his Selective Service obligations. Enrollment shall be for a maximum of 2 years except as the Director may determine in special cases.

Section 105 provides for living allowances and maintenance of enrollees. Upon termination of enrollment, each enrollee shall receive a readjustment allowance amounting to not more than \$50 per month for each month of satisfactory participation in the corps. However, under circumstances determined by the Director, up to \$25 per month of the readjustment allowance may be paid directly to a dependent of an enrollee during his period of service in the corps, and any such payments shall be matched by the Director.

Section 106 contains technical material concerning the application to enrollees of provisions of the Internal Revenue Code, Social Security Act, Federal Employees'

Compensation Act, and the Federal Tort Claims Act. Personnel of the uniformed services working for the corps are not to be counted when computing the authorized strengths of such services or of any grade.

#### Part B—Work-training programs

Section 111 declares that the purpose of the part is to provide useful work experience opportunities for unemployed youths through participation in State and community work-training programs.

Section 112 authorizes the Director to assist and cooperate with State and local public agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities.

Section 113 authorizes the Director to enter into agreements to pay part or all of the costs of such programs if he determines that they meet the statutory standards. Those standards are: (1) the participants will be employed on publicly owned and operated facilities or projects, or projects sponsored by private nonprofit agencies (except projects involving religious schools and places of worship); (2) the program will increase the employability of participants in fields where job openings are likely to exist, or will enable them to resume or maintain school attendance; (3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or to conservation work; (4) the program will not displace employed persons; (5) appropriate and reasonable compensation and working conditions will be provided; (6) to the maximum extent feasible, the program will be coordinated with local public vocational training and educational services; and (7) the program includes selection standards and procedures.

The Director is required to give priority to projects with high training potential.

Section 114 provides that participation in work-training programs shall be limited to young men and women aged 16 through 21 who are permanent residents of the United States. Participants shall be deemed not to be Federal employees. The section also authorizes the Director to provide for testing, counseling, job development, and referral services to youths.

Section 115 sets limits on the amount the Director can pay to work-training programs. Payments for the period ending 2 years after the enactment of the act, or June 30, 1966, whichever is later, shall not exceed 90 percent of the costs of such programs, and thereafter shall not exceed 75 percent of such costs, unless the Director determines, pursuant to objective criteria, that greater percentages are required. Non-Federal contributions may be in cash or in kind.

Section 116 requires the Director to establish criteria to achieve an equitable distribution of assistance among the States, considering among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ percent of the sums appropriate or allocated for any fiscal year to assist work-training programs may be used within any one State.

#### Part C—Work-study programs

Section 121 declares that the purpose of work-study programs is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and need such earnings to continue their education.

Section 122 authorizes the Director to enter into agreements with such institutions to pay part of the compensation of students employed under such work-study programs.

Section 123 requires that such agreements shall provide that (a) a program will be operated by the institution for part-time employment of its students by the institution itself or by public agencies or private non-



profit institutions whose activities contribute to the objectives of the act, except that no work by the students shall involve religious schools or places of worship; (b) such employment shall be furnished only to a full-time student from a low-income family who needs the work to stay in the institution; (c) such employment shall not exceed 15 hours a week while classes are in session; (d) the institution shall continue to expend for student employment an amount not less than its average annual expenditure for such employment during the 3 preceding fiscal years; (e) payments by the Director shall not exceed 90 percent of the total compensation of such students during the period ending 2 years after the enactment of the act, or June 30, 1966, whichever is later, and 75 percent thereafter; (f) the institution will act as the Director's paying agent, if requested; and (g) such work or like work shall be reasonably available to all needy eligible students.

Section 124 provides that the Director's share of the compensation may be paid directly or through the employing institution. In any event, the students shall be deemed not to be Federal employees.

Section 125 requires the Director to establish criteria to achieve an equitable distribution of assistance among the States and among institutions of higher education within each State, considering among other relevant factors the ratios of full-time students in institutions of higher education, unemployment, and family income levels. Not more than 12½ percent of the sums appropriated or allocated for any fiscal year to assist work-study programs may be used within any one State.

#### TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Section 201 declares that the purpose of the title is to provide stimulation and incentive for communities to mobilize their resources to combat poverty through community action programs.

Section 202 in general defines a "community action program" as one which mobilizes and utilizes, in an attack on poverty, public and private resources of any urban or rural, or combined urban and rural, geographical area (termed a "community") and is conducted by a public or private nonprofit agency broadly representative of the community (termed a "community action organization").

Section 203 authorizes the Director to make grants or contracts to pay part or all of the costs of development of community action programs.

Section 204 deals with Federal assistance for the conduct and administration of community action programs. Subsection (a) authorizes the Director to make grants or contracts to pay part or all of the costs of conducting and administering such programs or components of such programs. Such components shall be focused upon the needs of low-income individuals and families and shall be concerned with such fields as education, employment, job training and counseling, health, vocational rehabilitation, housing, home management, and welfare.

Subsection (b) requires that any assisted elementary or secondary school education program shall be administered by public educational agencies but shall be available to all children regardless of whether they are regularly enrolled in the public schools.

Subsection (c) authorizes assistance for antipoverty activities in a community without a community action program, if a representative group is developing such a program and if such assistance will further the purposes of title II. After June 30, 1965, such assistance in any fiscal year shall not exceed 20 percent of the sums appropriated or allocated to title II for such year.

Subsection (d) lists factors to be considered by the Director in determining whether to extend assistance to a community.

Subsection (e) requires the Director to give special consideration to programs which give promise of effecting a permanent increase in the capacity of those aided to deal with their problems without further assistance.

Section 205 authorizes the Director to provide technical assistance to communities in developing and administering community action programs and training for specialized personnel.

Section 206 authorizes the Director to conduct or contract for research, training, and demonstrations pertaining to the purposes of title II, but expenditures for such activities in any fiscal year shall not exceed 15 percent of the sums appropriated or allocated to title II for such year.

Section 207 sets limits on the amount of Federal assistance that can be extended under sections 203 and 204. Such assistance paid for the period ending 2 years after the enactment of the act, or June 30, 1966, whichever is later, shall not exceed 90 percent of the costs referred to in these sections, and thereafter shall not exceed 75 percent of such costs, unless the Director determines, pursuant to objective criteria, that greater percentages are required. Non-Federal contributions may be in cash or in kind. The non-Federal expenditures or contributions for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources being made for similar purposes before Federal assistance was extended.

Section 208 requires the Director to establish procedures for effective State participation in community action programs, including the referral of applications for Federal assistance to the Governor for comment. The Director is authorized to reimburse State agencies for their expenses in providing technical assistance relating to community action programs.

Section 209 requires the Director to establish criteria to achieve an equitable distribution of assistance under title II among the States and between urban and rural areas and sets forth certain factors that are to be considered. Not more than 12½ percent of the sums appropriated or allocated for any fiscal year to title II shall be used for assistance under sections 203 and 204 within any one State.

Section 210 requires the Director, in extending assistance under other titles of the act, to give preference, to the extent feasible, to programs and projects which are components of an approved community action program.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

Section 301 declares that the purpose of the title is to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families.

Section 302 authorizes the Director to make grants and loans to such families. Grants up to \$1,500 may be made where they have a reasonable possibility of effecting a permanent increase in the income of such families by assisting them to acquire or improve real estate, to improve the operation of family-sized farms, to participate in co-operatives, or to finance nonagricultural enterprises to supplement income. Fifteen-year loans up to \$2,500 in the aggregate may also be made for this last purpose.

Section 303 authorizes the Director to make loans to and otherwise assist corporations if they are organized to acquire real property in rural areas, to develop or reconstitute such property in units not larger than family farms, and to sell such farms to low-income farm families at appraised value for agricul-

tural purposes. Section 303 also authorizes the Director to make grants sufficient to make up the deficiency between the cost of such farms to the corporation and the net proceeds from their sale.

Section 304 authorizes loans to cooperative associations furnishing essential services, supplies, or facilities predominantly to low-income rural families.

Section 305 conditions assistance under the title upon a determination by the Director that such assistance will materially further the purposes of the title and, in the case of a corporation or cooperative, that the applicant will fulfill a need not otherwise being met.

Section 306 provides that loans under the title shall have such terms and conditions as the Director determines, subject to (a) reasonable assurance of repayment, (b) credit not otherwise being available on reasonable terms, (c) assurance of completion of the project for which the loan is made, (d) interest at a rate determined by the Secretary of the Treasury, plus a possible additional charge to cover costs, and (e) a term of not more than 30 years (except for the 15-year loans provided for in section 302).

#### TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

Section 401 declares that the purpose of the title is to provide new training and employment opportunities for long-term unemployed persons; to assist small business concerns and improve the managerial skills used therein; and to mobilize for these objectives private as well as public managerial skills and resources.

##### Part A—Incentives for employment of long-term unemployed

Section 411 authorizes the Director to make or guarantee 25-year loans which will result in stable employment for persons not already employed by the borrower, a majority of whom will be recruited from among the long-term unemployed and members of low-income families. Any such loan shall not exceed an amount equal to \$10,000 multiplied by the number of persons to be employed by the borrower as a result of the loan.

Section 412 limits such assistance to cases where it will not be used to relocate establishments and where it is part of an approved community action program.

Section 413 requires the Director to make provision for losses on loan guaranties.

Section 414 provides that such loans and guaranties shall have terms and conditions determined by the Director, subject to (a) reasonable assurance of repayment, (b) financial assistance not otherwise being available on reasonable terms, (c) assurance of completion of the project for which the loan is made, (d) interest calculated in general at a rate determined by the Secretary of the Treasury, plus a possible additional charge to cover costs and (e) the right on loan guaranties to require fees to cover administrative expenses and probable losses.

##### Part B—Small business loans

Section 421 authorizes the Director to make or guarantee 15-year, \$15,000 loans to small business concerns or to persons seeking to establish such concerns, where such loans will assist in carrying out the purposes of title IV. The Director may require a borrower to participate in a management training program as a condition of a loan.

Section 422 provides that no assistance may be provided under section 421 in a community with an approved community action program unless consistent with that program.

Section 423 authorizes any functions under this part which are delegated to the Small Business Administration to be financed through its revolving fund.



Section 424 provides that loans under this part (including participations and guarantees) shall have such terms and conditions as the Director shall determine, subject to the five limitations set forth in section 414.

#### TITLE V—FAMILY UNITY THROUGH JOBS

Section 501 declares that the purpose of the title is to expand the opportunities for work, training and basic education for those who are unable to support or care for their families.

Section 502 provides that in order to stimulate States to adopt programs to help unemployed fathers and other members of needy families with children to secure employment or otherwise attain capability for self-support, the Director is authorized to transfer to the Secretary of Health, Education, and Welfare funds to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315).

#### TITLE VI—ADMINISTRATION AND COORDINATION

##### Part A—Administration

Section 601 establishes the Office of Economic Opportunity in the Executive Office of the President. After 1 year, the President may provide for the transfer of the Office elsewhere in the executive branch by complying with the procedures of the Reorganization Act of 1949. The Office shall have a Director and four Deputy Directors, who shall be appointed by the President with the advice and consent of the Senate. The Director shall receive a salary of \$22,500; one Deputy Director shall receive a salary of \$20,500 and the other three a salary of \$20,000.

Section 602 authorizes the Director to: (a) appoint personnel in accordance with the civil service laws and fix their compensation; (b) employ experts and consultants; (c) appoint and compensate members of advisory committees; (d) with the approval of the President, arrange for other Federal agencies to carry out functions under the act and, as necessary, delegate his powers; (e) utilize, with their consent, the services and facilities of other Federal, State, and local agencies, without reimbursement; (f) accept, use, and dispose of gifts and bequests; (g) accept voluntary services; (h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under the act; (i) disseminate data and information without regard to certain postal restrictions; (j) adopt an official seal; (k) deal with property acquired on loans and guarantees; (l) collect and compromise obligations; and (m) establish policies, prescribe rules and regulations, and generally take such steps as are appropriate to carry out the act.

Section 603 authorizes the Director to recruit, select, and train volunteers for America. Upon request, he may refer volunteers to work on programs of assistance at a local level. He may assign volunteers to work (A) in meeting the health and education needs of Indians, migratory workers, and residents of certain areas under Federal jurisdiction, (B) in nonprofit mental health and mental retardation facilities assisted by Federal funds, and (C) in federally operated programs or activities under titles I and II of the act. No volunteers may work in any State without the consent of the Governor. The Director may provide to all volunteers during training and to assigned volunteers a stipend up to \$50 a month, together with living allowances and maintenance. Volunteers shall be deemed not to be Federal employees except that all volunteers during training and assigned volunteers shall be deemed Federal employees to the same extent as enrollees in the Job Corps.

Section 604 establishes an Economic Op-

portunity Council to consult with and advise the Director on his functions, including that of coordinating all Federal antipov- erty efforts. The Council shall include the Director and other appropriate Cabinet of- ficers and agency heads, or delegates there- of.

Section 605 establishes a National Advisory Council, to consist of the Director and not more than 14 additional members, appointed by the President, to represent the general public and fields of endeavor related to the act. At the Director's request, the Council shall review the operations of the Office and make recommendations.

Section 606 establishes a revolving fund for loans and guaranties under titles III and IV and contains provisions for its operation.

Section 607 provides that within 120 days after each fiscal year, the Director shall submit a report for transmittal to the Congress.

Section 608 defines the terms "State," "United States," and "agency" as used in the act.

##### Part B—Coordination of antipov- erty programs

Section 611 contains provisions to insure that all Federal antipov- erty programs are carried out in a coordinated manner. Sub- section (a) authorizes the Director to call on other Federal agencies for data, reports, and other materials, and to assist the Presi- dent in coordinating the antipov- erty efforts of all Federal agencies. Subsection (b) re- quires Federal agencies to cooperate with the Director. Subsection (c) authorizes the President to direct that particular programs and functions, including the expenditure of funds, shall be carried out to support pro- grams under the act.

Section 612 directs each Federal agency head administering any Federal program to give preference to applications for assist- ance made under an approved community action program.

Section 613 provides that to insure that information about Federal antipov- erty pro- grams is readily available in one place to public officials and others, the Director may collect, prepare, analyze, correlate, and dis- tribute (free or at cost) information concern- ing such programs.

#### TITLE VII—AUTHORIZATION OF APPROPRIATIONS

Section 701 authorizes an appropriation to the Director for fiscal 1965 of \$962,500,000, and thereafter such sums as may be necessary to be available until expended.

Mr. McNAMARA. Madam President, will the Senator from Georgia yield to permit me to make brief remarks on the bill?

Mr. RUSSELL. I yield.

Mr. McNAMARA. Madam President, on behalf of President Johnson and his administration, I feel privileged to in- troduce the Economic Opportunity Act of 1964.

The bill launches a major attack in what President Johnson has declared to be a "national war on poverty," and for which his objective is total victory.

No one predicts that adoption of this bill will automatically achieve that ob- jective.

Too many millions of Americans have been poverty-stricken and destitute for too long to make it possible to cure over- night the chronic ailments which under- lie this condition.

But the proposed legislation makes a start—an imaginative, earnest begin- ning—on establishing and coordinating Federal and local responsibility for wip- ing out poverty.

The bill will produce the weapons for this task. It will produce the incentive for using them properly, so that the op- portunities and abundance of our Nation are shared by millions for whom the words "opportunity" and "abundance" have been meaningless.

Poverty is not confined to any one area. It is not the special problem of the city, the farm, the small town. It exists in all these areas—and more.

The Economic Opportunity Act recog- nizes the widespread nature of poverty and directs its attack on a broad front to combat it wherever it lurks.

Its Job Corps, work-training and work-study programs will provide op- portunities for nearly 500,000 young men and women, from those who have poor fitness for useful work to those who must have work to finance their college educations.

It directs its attack at rural and ur- ban communities—urging and support- ing long-range self-help plans. It en- courages small businessmen to hire new workers from the ranks of the long-term unemployed.

It establishes a group to be known as Volunteers for America. These volun- teers will work in the programs set up under the act, as well as provide their skills and education to help our migra- tory workers, Indians, and in nonprofit mental health and mental retardation institutions.

The community action and other pro- grams in the bill will work to help al- leviate problems of the elderly.

In his message on poverty, submitted today with the Economic Opportunity Act, President Johnson stated:

If we now move forward against this en- emy—if we can bring to the challenges of peace the same determination and strength which brought us victory in war—then this day and this Congress will have won a secure and honorable place in the history of the Nation, and the enduring gratitude of generations of Americans yet to come.

Madam President, the cost of this pro- gram is modest. The potential return is enormous.

I sincerely hope the 88th Congress will seize this opportunity to be in the van- guard of the war on poverty.

Mr. HUMPHREY. Madam President, will the Senator from Michigan yield?

Mr. McNAMARA. I yield.

Mr. HUMPHREY. I have taken the liberty of joining the Senator from Michigan in sponsoring the bill. I un- derstand that the Senator from Michigan has asked that the bill be held at the desk, to enable other Senators to join in sponsoring it.

Mr. McNAMARA. Yes. Madam Presi- dent, I ask that the bill be held at the desk until Thursday, to enable other Senates to join in sponsoring the bill. We hope great numbers of Senators on both sides of the aisle will join in spon- soring it.

The PRESIDING OFFICER. Without objection, the bill will be held at the desk, as requested.

Mr. RUSSELL. Madam President, I now yield to the Senator from North Dakota [Mr. Young].









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued May 13, 1964

For actions of May 12, 1964

88th-2nd; No. 94

## CONTENTS

|                            |                        |                            |
|----------------------------|------------------------|----------------------------|
| Alliance For Progress...16 | Beef imports.....33    | Fiscal policy.....5        |
| Agricultural               | Brooms.....3           | Food marketing.....6       |
| appropriations.....28      | Civil defense.....4,12 | Foreign aid.....9,29       |
| Appalachia.....22          | Civil rights.....7     | Foreign trade.2,3,13,19,33 |
| Appropriations....26,27,28 | Conservation.....18    | Irrigation.....18,35       |
| Automation.....17          | Disaster relief.....14 | Meat imports.....13        |
| Balance of payments.....30 | Farm labor.....31      | Minerals.....32            |
|                            |                        | Opinion poll.....20        |
|                            |                        | Pesticides.....8,25        |
|                            |                        | Poverty.....1,10           |
|                            |                        | Prices.....21              |
|                            |                        | Public works.....34        |
|                            |                        | Research.....11            |
|                            |                        | Stockpiling.....32         |
|                            |                        | Tobacco.....2,15           |
|                            |                        | Water.....23               |
|                            |                        | Watersheds.....24          |

HIGHLIGHTS: House subcommittee voted to report poverty bill. Senate committee reported food marketing investigation bill. Senate committee voted to report bill to minimize pesticide injury to fish and wildlife. Sen. McGee inserted his statement urging restrictions on meat imports. Sen. Pearson inserted article critical of meat imports. Sen. Boggs inserted editorial supporting proposed poverty program. Joint Economic Committee announced reestablishment of Subcommittee on Fiscal Policy.

## HOUSE

1. POVERTY. A subcommittee of the Education and Labor Committee voted to report to the full committee H. R. 10440, the poverty bill. p. D369
2. TOBACCO LABELS. The Ways and Means Committee reported with amendment H. R. 3498, relating to the marketing requirements for imported cigar labels and bands and for other imported labels (H. Rept. 1393). p. 10358
3. FOREIGN TRADE. The Ways and Means Committee reported with amendment H. R. 5986, to amend the Tariff Act with respect to the rate of duty on brooms made of broom corn (H. Rept. 1395). p. 10358
4. CIVIL DEFENSE. The Armed Services Committee voted to report (but did not actually report) H. R. 10314, to extend the expiration date of certain authorities

under the Federal Civil Defense Act. p. D368

5. FISCAL POLICY. The "Daily Digest" states that the Joint Economic Committee announced that it has reestablished its Fiscal Policy Subcommittee, membership of which consists of Representatives Griffiths (chairman), Boggs, Curtis, and Widnall and Senators Douglas, Proxmire, and Javits. "This Subcommittee will explore Federal tax and expenditure policy with particular emphasis on their relation to future economic growth and stability." pp. D369-70

SENATE

6. FOOD MARKETING COMMISSION. The Commerce Committee reported with amendments S. J. Res. 71, to establish a National Commission on Food Marketing to study the food industry (S. Rept. 1022). p. 10353
7. CIVIL RIGHTS. Continued debate on S. 7152, the civil rights bill. pp. 10286-7, 10289-307, 10328-53
8. PESTICIDES. The Commerce Committee voted to report, with an amendment in the nature of a substitute, (but did not actually report) S. 1251, to prevent or minimize injury to fish and wildlife from the use of insecticides and pesticides. pp. D367-8
9. FOREIGN AID. Sen. Church expressed pleasure in "the flexibility shown by the Agency for International Development in adjusting its policies and programs to the changing situation in Africa," and inserted a speech by the AID Assistant Administrator for Africa, "American Aid to Africa." pp. 10262-4
10. POVERTY PLAN. Sen. Boggs inserted an article in support of the proposed poverty program but pointing out the danger of "political partisanship" in considering the program. p. 10269
11. RESEARCH. Sen. Humphrey inserted his statement to the Conference of Minnesota Colleges on Federal Research and Development Projects urging the inclusion of a greater number of universities and colleges in the projects. p. 10281
12. CIVIL DEFENSE. Received a report from Civil Defense Director "on the Federal contributions program, equipment, and facilities." p. 10248
13. MEAT IMPORTS. Sen. McGee inserted his statement before the Tariff Commission expressing concern over the decline in livestock prices and favoring the imposition of quotas on meat imports. pp. 10280-1  
Sen. Pearson inserted an article from the Kansas Stockman reviewing conditions in the livestock industry and favoring stricter controls on meat imports. pp. 10324-5
14. DISASTER RELIEF. Sen. Bartlett inserted a speech by the Administrator of the Small Business Administration reviewing actions taken by his agency to aid in the rehabilitation of Alaska as a result of the recent earthquake. pp. 10264-6
15. TOBACCO. Sen. Neuberger expressed disappointment over the substance of a pamphlet issued by the American Medical Assoc., "Smoking: Facts You Should Know," and inserted an editorial commenting on the pamphlet. pp. 10288-9
16. ALLIANCE FOR PROGRESS. Sen. Humphrey inserted an commended the President's speech to Latin American ambassadors reaffirming "the commitment of this







May 21, 1964

of compensation of positions in the Executive, Legislative, and Judicial Branches. Establishes a Federal executive salary schedule divided into six salary levels. Establishes the rate of compensation of \$32,500 for level I for Cabinet offices. Establishes the rate of compensation of \$30,000 for certain level II offices. Establishes the rate of compensation of \$29,000 for level III offices, including the Under Secretary of Agriculture. Authorizes the President to place offices and positions as he deems appropriate in levels IV, V, and VI, at rates of compensation of \$28,000, \$27,000, and \$26,000, respectively, including assistant secretaries and general counsels of executive departments, heads of certain agencies and bureaus, and deputy heads of large agencies in level IV, heads of principal services in level V, and heads and board members of smaller agencies and deputy heads of other agencies in level VI. Changes the title of Administrative Assistant Secretary to Assistant Secretary for Administration. Provides that rates of compensation of ASC county committee employees shall be increased to correspond, as nearly as possible, with increases provided for classified employees. Increases from 9 to 10 the number of within-grade rates for grades GS-11 through GS-15, and from 5 to 9 the number of within-grade rates for grade GS-16. Authorizes the appointment of individuals at a rate above the minimum of the grade in grades GS-13 and above in special circumstances. Provides that the salary-fixing authority of heads of departments may not be used to fix rates in excess of the highest rate for grade GS-18. Requires Federal agencies to absorb, for fiscal year 1965, not less than 10 percent of the aggregate amount of the pay increases. Provides that pay increases for Members of Congress shall become effective at noon on January 3, 1965, and that other increases provided in the bill shall become effective on the first day of the first pay period after enactment, except that no salary shall be increased to more than \$22,000 until the first pay period beginning after January 1, 1965.

14. PERSONNEL UTILIZATION. Rep. Henderson praised the "teamwork of management and employees throughout the Government," and noted Administrative Assistant Secretary Robertson's statement on increased employee productivity in AMS. pp. 11324-5
15. FOREIGN AID. Rep. Dawson inserted the AID Administrator's address praising agricultural work overseas and Public Law 480 programs. pp. 11322-4
16. AREA REDEVELOPMENT. Rep. Flood inserted the ARA Deputy Administrator's speech recommending the use of ARA to aid in the programs against poverty and for more jobs. pp. 11320-2
17. PRICES. Rep. Dent spoke in support of the "quality stabilization" bill as being "antimonopoly and supplemental to our Nation's antitrust laws." pp. 11312-6
18. WOOL; COTTON. Rep. Cleveland charged the Federal Government with "neglect" of the woolen industry while giving aid to the cotton industry. p. 11307
19. FOREIGN TRADE. Rep. Curtis stated that tariffs, as the chief means of protecting agricultural and nonagricultural industries, are now less significant in restricting imports and inserted an article, "Farm Commodity Exports and International Trade Policies." pp. 11303-7
20. ECONOMY. Rep. Curtis inserted articles "calling attention to the dangers of economic instability arising from the administration's highly expansionary economic policies." pp. 11302-3



21. CANNON EULOGIES. Several Representatives eulogized Rep. Cannon for his service to his country as a teacher, lawyer, author, parliamentarian, legislator, and statesman, with special praise for his fiscal responsibility as Chairman of the Appropriations Committee (pp. 11247-75). Rep. Cooley called him one of the great champions of agriculture and of farm families of the country and inserted excerpts from Rep. Cannon's recent statement before the Credit Subcommittee of the House Agriculture Committee in behalf of conservation of soil and water resources (pp. 11268-9).
22. PERSONNEL; AWARDS. Rep. Nelsen inserted his previous statement objecting to a distinguished service award being given to the ASCS Administrator, and excerpts from the hearings in the Billie Sol Estes investigation to support his claim that the Administrator "coached witnesses." pp. 11290-1
23. POVERTY. Rep. Frelinghuysen inserted an Education and Labor Committee minority staff analysis and commentary with respect to H. R. 10440, the poverty bill, describing it as largely duplicative of programs already being carried forward by the Federal Government and containing tables showing amounts of money budgeted for various federal programs including those administered by this Department. pp. 11291-3
24. PROCUREMENT. Rep. Curtis inserted a Harvard Business Review article critical of the government's procuring process and stated that the issue posed by the article is that unless congressional controls are instituted, industry will have to continue to accept whatever encroachments the executive branch decides to make upon management decision and control. pp. 11297-02
25. INDEPENDENT OFFICES APPROPRIATIONS, 1965. Passed with amendment this bill, H. R. 11296 (pp. 11239-47, 11276-90). Agreed to an amendment by Rep. Harris, 59 to 56, to require the continuation, for 12 months, of domestic flight service stations which provide weather information to airplanes used by farmers (pp. 11280-7).
26. EDUCATION. Rep. Conte inserted an address urging that the building of education, health, and welfare services in our communities be directed toward a common goal, including vocational education and poverty services. pp. 11317
27. MARKETING. Rep. McDowell criticized the closing of supermarkets serviced by Baltimore, Md., warehouses in Md. and Del. pp. 11326-7
28. USER CHARGES; INSPECTION STANDARDS. Received from this Department a proposed bill to repeal the Grain Standards, Wool Standards, Standard Containers, Naval Stores, and Tobacco Seed Export Acts; to Agriculture Committee. p. 11328
29. TRANSPORTATION. The Rules Committee reported a resolution for consideration of H. R. 3881, to authorize the Housing and Home Finance Administration to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas. p. 11328
30. LEGISLATIVE PROGRAM. Speaker McCormack announced that the military construction appropriation bill will be considered Tues., and that H. R. 4198, free importation of instant coffee, and H. R. 10465, free importation effects under Government orders, will be considered on Wed. p. 11312
31. ADJOURNED until Mon., May 25. p. 11327



"Almost all of the meetings and conferences involved in the Estes allotment case were recorded only in the memory of those who attended. Thus, it is now impossible to produce records that should have been made but were not. It is inevitable that the Department itself must be handicapped by these and other deficiencies. At the outset some difficulty was experienced in locating documents believed to be germane to this investigation. We were informed that there was no central repository for records where most or all of the information concerning Billie Sol Estes might be located. No such repository exists. This deficiency has greatly complicated and impeded the progress of the investigation. In the interests of securing adequate coverage and of saving time, we met separately with the Secretary, the Under Secretary, the General Counsel, and Assistant Secretary John Duncan, and asked to have assembled for our review, all information under the jurisdiction of their offices relating to Billie Sol Estes and any of his business enterprises. We also met jointly with the ranking officials of the Agricultural Stabilization and Conservation Service including representatives of the Administrator and the five Deputy Administrators who supervise the activity of this agency, and made a similar request from them. As a result, material concerning Estes was located and furnished to us by 16 different offices in the Department's Washington headquarters. This demonstrates a cumbersome and ineffective recordkeeping system which causes unnecessary operations difficulties and directly affects the efficiency and economy of the Department.

"I must say at this point that we are not sure yet that we have all the documents in the Department of Agriculture pertinent to Billie Sol Estes. We have tried for weeks to assemble them and we believe the officials of the Department have tried to assemble them. We feel we have most of them, but, under the existing system, we cannot be certain."

On page 9 of the hearings appears further information that I think should be referred to at this time, in testimony by Mr. Kamerick:

"The structural weakness of the Department of Agriculture is further demonstrated by a breakdown of communications between the Department and the subordinate organizations at the State and county levels. Some instructions issued by the Department apparently either do not reach the subordinate organizations or are disregarded if they do reach them. There is no method of receipt or followup to make certain that such instructions actually reached their destination. In some areas of activity, the subordinate organizations of the Department are almost autonomous.

"There is a similar lack of communication between agencies within the Department of Agriculture in Washington. Within the Department there are 11 internal audit groups, including one attached to the Office of the Secretary. Each of these groups has no authority and little interest in anything that transpires, outside their own narrow assignments. In October 1961, the Agricultural Stabilization and Conservation Service investigation division completed a comprehensive 3½-month inquiry into the questionable cotton allotment transfers engineered by Billie Sol Estes. Two or three months earlier, in September 1961, the Internal Audit Division of the Agricultural Marketing Service, another of the Department's agencies, initiated a separate inquiry into Estes' financial position, based on rumors of unreported mortgages. Neither investigative group was aware of the inquiry being conducted by the other until February 1962 and the parallel investigations were not coordinated at any time. In fact, the Internal

Audit Group terminated its inquiry early in April of 1962, and the two units were still not coordinated.

"Such malfunctions could not come about if there existed within the Department a single unified audit-investigation group with authority and responsibility to report to the Secretary. It is paramount that such a group report at the highest level. It seems clear that any program head who controls his own audit-investigation staff is, in the final analysis, evaluating himself. Few officials can be completely objective about their own operations and an audit-investigation group can be only as effective as the operating head permits. A group equipped and manned to audit, investigate, and monitor all of the varied activities of this important Department could save the Government many millions of dollars each year and at the same time improve the services of the Department."

Recalling accounts of the Billie Sol Estes case, it is my recollection that great difficulty was experienced by those who wished to dig into the facts and the gentleman in charge of the records suddenly found himself out in the cold and a new man in charge of records.

Without question, information had come to the attention of people in high position within the Department as to the unsavory operations of Billie Sol Estes. In spite of this information, Billie Sol Estes was appointed to the Cotton Council.

Many other points could be added, but it seems strange that an award could be made to a man who is in charge of this agency and program where investigation has revealed poor organization and where obviously information was not made available to investigators and where obviously a coverup was attempted in the entire Billie Sol Estes case.

#### EXCERPT FROM PAGE 1325, HEARINGS, "HANDLING OF POOLEY COTTON ALLOTMENTS"

Senator MUNDT. Mr. Chairman, I am going to have to protest. The chairman has called attention several times to the fact that the employees of the Department are constantly whispering answers to the witness. This is strictly out of order.

If someone wants to volunteer as a witness among the employees, he should stand up and take an oath and testify. I have no objection but I do think we are entitled to get the answers of the witness.

Mr. CHAIRMAN. I do not know that I have issued any statement about it publicly.

Senator MUNDT. You called it to their attention a few days ago.

The CHAIRMAN. I probably did. Anyway, where it is a matter of ascertaining the date of some record or something that way, where it is a matter of refreshing the witness' memory, there is no objection to that if they indicate they wish to ask and inquire, that is all right.

But a prompting of the witness in the sense of somebody whispering to him what to say is highly improper.

Senator MUNDT. It has happened several times today. The witness has not at any time asked for assistance. I quite agree if he wants to turn back to get a fact, a figure, or paper, OK.

But several times this afternoon we have had employees of the Department prompting the witness. This is not proper procedure. I am glad the chairman has again called it to their attention. I hope he will not have to do it again.

The CHAIRMAN. I was preoccupied here with something else. I did not see what occurred that aroused your attention at the moment. But I will make this statement again.

Witnesses will testify on their own, based on their own knowledge and information. If they desire to secure from someone present a document or date, something to refresh

their memory, if they suggest they would like to do so, the Chair will, of course, grant the request.

Watch out for anything that will be regarded as prompting of a witness. Proceed.

#### COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

#### LANDRUM-POWELL POVERTY PACKAGE

(Mr. FRELINGHUYSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FRELINGHUYSEN. Mr. Speaker, much has been written in the press, and much has been said on the floor of the House with respect to H.R. 10440, the Landrum-Powell poverty package.

The minority staff of the House Education and Labor Committee has prepared a brief analysis and commentary on this proposal. This analysis describes the various programs authorized by the poverty bill. It also points up the extent to which these programs are largely duplicative of programs already being carried forward by the Federal Government. It also sets forth in some detail the tremendous sums of money which are currently being expended by the Federal Government to combat and alleviate the conditions of poverty in the United States.

Mr. Speaker, I have received innumerable requests for this study from various Members of the House. In order to make this information available to all Members, I include this study at this point in the RECORD:

A BRIEF ANALYSIS AND COMMENTARY ON H.R. 10440 (THE SO-CALLED POVERTY PACKAGE) AND A RÉSUMÉ OF FEDERAL PROGRAMS CURRENTLY OPERATING TO COMBAT POVERTY (Prepared by the minority staff, Education and Labor Committee)

#### EDUCATION AND LABOR COMMITTEE

Minority members: PETER H. B. FRELINGHUYSEN, of New Jersey; WILLIAM H. AYRES, of Ohio; ROBERT P. GRIFFIN, of Michigan; ALBERT H. QUÉ, of Minnesota; CHARLES E. GOOD-ELL, of New York; DONALD C. BRUCE, of Indiana; JOHN M. ASHBROOK, of Ohio; DAVE MARTIN, of Nebraska; ALPHONZO BELL, of California; M. G. (GENE) SNYDER, of Kentucky; PAUL FINDLEY, of Illinois; and ROBERT TAFT, Jr., of Ohio.

Professional staff: Philip R. Rodgers, minority clerk and counsel; Charles W. Radcliffe, minority counsel for education.

#### I—ECONOMIC OPPORTUNITY ACT OF 1964—BRIEF ANALYSIS

##### Title I—Youth programs Part A

Authorizes establishment of a Job Corps consisting of work camps for male enrollees aged 16 through 21; enrollees would work primarily on conservation projects; maximum enlistment would be for 2 years. (Similar, in many respects, to H.R. 5131, pending before the Rules Committee.) This



program would be 100 percent federally financed. First year cost, \$190 million.

#### Part B

Authorizes community work-training programs for unemployed youth of both sexes aged 16 through 21. Federal share of costs would be at least 90 percent, but could go to 100 percent if the Director so decreed. Youth would work in hospitals, parks, playgrounds, etc. First year cost, \$150 million.

#### Part C

Authorizes Director to arrange with colleges for work-study programs for needy college students, in which students would work up to 15 hours a week, either on college projects or in local community nonprofit activities. This program would be 100 percent federally financed. First year cost, \$72.5 million.

#### Title II—Community action programs

Authorizes Federal funds for urban and rural community action programs. Director would pay part or all of the costs of such programs conducted either by public agencies or nonprofit private agencies in such fields as health, education, job training, and vocational rehabilitation. First year cost, \$815 million.

#### Title III—Special programs to combat poverty in rural areas

Director could: (1) Make grants up to \$1,500 to poor farm families for capital investments in machinery, livestock, seeds, etc., or to start a farm business; (2) make loans up to \$2,500 for same purposes; (3) make loans to nonprofit corporations to purchase rural property, develop it, and sell it back to farmers for family-sized farms. First year cost, \$50 million.

#### Title IV—Employment and investment incentives

##### Part A

Authorizes Director to make or guarantee loans to businessmen for enterprises which will result in new employment; requires that a majority of the new employees be from ranks of long-time unemployed and members of low-income families. First year cost, \$25 million.

#### Part B

Authorizes Director to make or guarantee 15-year, \$15,000 loans to persons to establish small businesses. Uses existing Small Business Administration loan fund.

#### Title V—Family unity through jobs

Authorizes Director to transfer to HEW Secretary funds for pilot and experimental projects to help unemployed fathers to obtain employment or otherwise become self-supporting. First year cost, \$150 million.

#### Title VI—Administrative provisions and Volunteers for America

Authorizes Director to set up Volunteers for America—a domestic Peace Corps similar to that proposed by President Kennedy (H.R. 5625) which is pending in the Committee on Education and Labor. Volunteers would work with various community groups; principally on Indian reservations, mental health programs, with migrant workers, and in the community action program. Volunteers could not work in any State without the consent of the Governor. First year cost, \$10 million; total first year cost, \$962.5 million.

#### General Comments

1. This analysis does not purport to cover H.R. 10440 line by line, nor to point up the deficiencies in draftsmanship which are conspicuous throughout the bill.

2. Authority for these programs would be placed in the hands of a poverty czar—the Director of the new Office of Economic Opportunity. Established departments, which operate programs in any of these fields, will be compelled to cooperate.

3. Excluding social security benefits and other trust funds, Federal programs now existing and aimed directly at eliminating the causes of poverty or ameliorating its effects, will cost nearly \$9 billion in fiscal 1965.

4. These existing Federal programs are duplicated in virtually every aspect by the provisions of H.R. 10440—aid to college students; vocational education; manpower training; loans and other assistance for low-income farm families; small-business loans; vocational rehabilitation; aid for the aged, dependent mothers and children, and disabled; prevention of dependency; housing

for the elderly; urban renewal; rural renewal; research and demonstration projects in almost all these fields, area redevelopment, etc.

5. The power and authority of the Director and of the new agency—unlike authorizations in most laws administered by existing agencies—is ill-defined and virtually without limitation. For example: a State Governor would have only the power to comment on title II community action projects; within the community, the Director could bypass public agencies and deal only with private agencies, and the Director would establish criteria for all projects.

6. None of these programs requires State approval or State participation as such, with the limited exception that the Volunteers for America may not be employed in any State without the consent of the Governor of such State. The format of this proposal represents a complete departure from the generally accepted arrangement of State-Federal relationships. The Director of this proposed program could bypass virtually all established State and local governments and implement his programs by direct Federal action.

7. While this proposed program calls for a budget of only \$1 billion in the year of its inception, it might well be that the cost in subsequent years could easily run as high as \$5 billion annually.

#### FEDERAL PROGRAMS CURRENTLY OPERATING TO COMBAT POVERTY (AS PROVIDED FOR IN THE BUDGET), FISCAL 1965

NOTE.—These are Federal programs having the purpose or effect of helping to eliminate the causes of poverty or to ameliorate the condition of poverty; many of these programs are aimed specifically at the poor, others are of more general application. Excluded from this compilation are: \$16.6 billion in social security payments; \$455 million for unemployment compensation and employment services under social security; \$330.3 million for administration of social security; and \$878.4 million for new and unauthorized education programs and the Youth Employment Act proposal, which account for most of the initial cost of the poverty package.

| Agency and program                                                                 | Amount budgeted | Remarks                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                    | Millions        |                                                                                                                                                                                                                                        |
| OFFICE OF THE PRESIDENT: Public works acceleration.....                            | \$214.2         | Grants up to 75 percent of cost of water, sewerage, and health projects.                                                                                                                                                               |
| DEPARTMENT OF AGRICULTURE:                                                         |                 |                                                                                                                                                                                                                                        |
| 1. Agricultural research (Hatch Act).....                                          | 39.8            | Includes projects for improving rural life.                                                                                                                                                                                            |
| 2. Cooperative extension (Smith-Lever Act).....                                    | 62.9            |                                                                                                                                                                                                                                        |
| 3. Farmer Cooperative Service.....                                                 | 1.1             |                                                                                                                                                                                                                                        |
| 4. Economic Research Service.....                                                  | 6.3             | Farm economics and marketing economics.                                                                                                                                                                                                |
| 5. Special milk program.....                                                       | 99.8            | Whole milk for children in schools, day camps, etc.                                                                                                                                                                                    |
| 6. School lunch program.....                                                       | 374.5           | Includes both commodities and cash payments.                                                                                                                                                                                           |
| 7. Food stamp plan (requires new legislation).....                                 | 51.1            |                                                                                                                                                                                                                                        |
| 8. Donation of commodities to needy persons (other than school lunch program)..... | 204.4           | 1963 figure (1965 estimate not available) for donation of food for needy persons through public and private welfare and charitable agencies.                                                                                           |
| FARM HOME ADMINISTRATION: Rural housing grants and loans:                          |                 |                                                                                                                                                                                                                                        |
| 9. Development loans.....                                                          | .5              |                                                                                                                                                                                                                                        |
| Grants.....                                                                        | 2.0             | Secretary Freeman testified that 90 percent of loans go to farmers with income of \$3,000 or less. Purpose identical to poverty bill grants and loans to farmers.                                                                      |
| Loans to elderly.....                                                              | 15.0            |                                                                                                                                                                                                                                        |
| Building loans.....                                                                | 5.7             |                                                                                                                                                                                                                                        |
| Total.....                                                                         | 23.2            |                                                                                                                                                                                                                                        |
| 10. Rural renewal loans.....                                                       | 2.1             |                                                                                                                                                                                                                                        |
| 11. Direct loan account:                                                           |                 |                                                                                                                                                                                                                                        |
| Real estate.....                                                                   | 27.5            |                                                                                                                                                                                                                                        |
| Operating.....                                                                     | 300.0           |                                                                                                                                                                                                                                        |
| Total.....                                                                         | 327.5           |                                                                                                                                                                                                                                        |
| 12. Office of Rural Areas Development.....                                         | .1              | Coordinates operating programs.                                                                                                                                                                                                        |
| 13. Rental housing for elderly.....                                                | 5.0             |                                                                                                                                                                                                                                        |
| DEPARTMENT OF COMMERCE: Area Redevelopment Administration:                         |                 |                                                                                                                                                                                                                                        |
| 1. Operations and technical assistance.....                                        | 17.5            | The purposes of the Area Redevelopment Act are virtually indistinguishable from the provisions of title IV of the "poverty" bill, "Employment and Investment Incentives," as well as overlapping title II "Community Action Programs." |
| 2. Grants for public facilities (requires new legislation).....                    | 35.0            |                                                                                                                                                                                                                                        |
| 3. Area redevelopment loan fund.....                                               | 170.0           |                                                                                                                                                                                                                                        |
| Total.....                                                                         | 222.5           |                                                                                                                                                                                                                                        |



| Agency and program                                                                                                                                                | Amount budgeted | Remarks                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:</b>                                                                                                              | <i>Millions</i> |                                                                                                                                                                                                                                                                                                                  |
| Office of Education:                                                                                                                                              |                 |                                                                                                                                                                                                                                                                                                                  |
| 1. Vocational Education Acts.....                                                                                                                                 | \$190.4         | Includes \$41,800,000 to Commissioner for direct help for culturally deprived youth (residential schools, work-study, and special projects); also, State plans include heavy emphasis on out-of-school youth. Specifically intended for needy but able college students. Fund is now meeting colleges' requests. |
| 2. Student loan program (National Defense Education Act).....                                                                                                     | 135.0           | States give priority to schools most in need of assistance to buy expensive equipment.                                                                                                                                                                                                                           |
| 3. Science, mathematics, foreign language instructional equipment and audiovisual equipment for elementary and high schools (National Defense Education Act)..... | 62.0            | Key part of effort to prevent school dropouts.                                                                                                                                                                                                                                                                   |
| 4. Improved counseling, testing, and guidance in schools (National Defense Education Act).....                                                                    | 24.7            | Program emphasis now being changed to provide much more aid for projects in slum districts.                                                                                                                                                                                                                      |
| 5. Area vocational-technical schools (National Defense Education Act)....                                                                                         | 15.0            | Program designed to prevent future dependency.                                                                                                                                                                                                                                                                   |
| 6. Cooperative research and demonstrations.....                                                                                                                   | 17.0            |                                                                                                                                                                                                                                                                                                                  |
| 7. Education of handicapped children.....                                                                                                                         | 16.5            |                                                                                                                                                                                                                                                                                                                  |
| Vocational Rehabilitation Administration:                                                                                                                         |                 |                                                                                                                                                                                                                                                                                                                  |
| 8. Vocational rehabilitation grants to States.....                                                                                                                | 100.1           | These 2 programs (8 and 9) heavily emphasize prevention of dependency and assist in expanding, improving, and coordinating State and local services and facilities.                                                                                                                                              |
| 9. Vocational rehabilitation research and training.....                                                                                                           | 40.6            |                                                                                                                                                                                                                                                                                                                  |
| Public Health Service:                                                                                                                                            |                 |                                                                                                                                                                                                                                                                                                                  |
| 10. Chronic diseases and health of the aged.....                                                                                                                  | 53.7            | These programs (10, 11, and 12) make a major contribution to State and local efforts to improve general health and to prevent, control, and treat disease.                                                                                                                                                       |
| 11. Communicable diseases.....                                                                                                                                    | 30.0            | Such community health also purport to be a major factor of title II of the "poverty package."                                                                                                                                                                                                                    |
| 12. Community health practice.....                                                                                                                                | 22.6            | Includes nursing homes, diagnostic and treatment centers, rehabilitation centers, and project grants for comprehensive area plans for medical facilities.                                                                                                                                                        |
| 13. Hospital construction (amount here is that proposed for separate transmittal for 5-year extension of Hill-Burton Act).....                                    | 270.0           | Grant assistance to States, cities, industries and researchers to eliminate health hazards in food and water.                                                                                                                                                                                                    |
| 14. Environmental engineering and sanitation.....                                                                                                                 | 9.2             | Full range of health, medical and hospital services for Indians and Alaska natives; health education and improvement of living conditions are stressed.                                                                                                                                                          |
| 15. Indian health activities.....                                                                                                                                 | 62.2            |                                                                                                                                                                                                                                                                                                                  |
| Welfare administration:                                                                                                                                           |                 |                                                                                                                                                                                                                                                                                                                  |
| 16. Public assistance grants to States.....                                                                                                                       | 2,739.4         | Payments to individual recipients; medical care for aged.                                                                                                                                                                                                                                                        |
| 17. Public assistance administration, services, and training (grants to States).....                                                                              | 262.6           | A major purpose of these grants is to finance State and local programs to prevent dependency and causes of dependency.                                                                                                                                                                                           |
| 18. Bureau of Family Services.....                                                                                                                                | 5.9             | Administers public assistance grants, coordinates Federal and State efforts, provides technical and other assistance for programs to prevent dependency.                                                                                                                                                         |
| 19. Maternal and child welfare.....                                                                                                                               | 131.8           | Grants to States, including research and demonstration for improved maternal and child health services (particularly in rural areas), child welfare services and crippled children's services.                                                                                                                   |
| 20. Office of Aging.....                                                                                                                                          | .6              |                                                                                                                                                                                                                                                                                                                  |
| 21. Cooperative research for social security.....                                                                                                                 | 1.8             |                                                                                                                                                                                                                                                                                                                  |
| <b>DEPARTMENT OF THE INTERIOR:</b>                                                                                                                                |                 |                                                                                                                                                                                                                                                                                                                  |
| 1. Indian education and welfare.....                                                                                                                              | 96.9            | A major emphasis of the poverty bill provision for "Volunteers for America" is work on Indian reservations. These 3 programs—plus PHS health services—relate to nearly every phase of Indian life.                                                                                                               |
| 2. Indian resources management.....                                                                                                                               | 40.7            |                                                                                                                                                                                                                                                                                                                  |
| 3. Construction of facilities and irrigation systems (Indians).....                                                                                               | 51.1            |                                                                                                                                                                                                                                                                                                                  |
| <b>DEPARTMENT OF LABOR:</b>                                                                                                                                       |                 |                                                                                                                                                                                                                                                                                                                  |
| 1. Manpower training and development.....                                                                                                                         | 411.0           | 1963 amendments liberalized act to permit basic education as part of job training and to permit training allowances for unemployed youth, ages 16 to 21. (Same age group mentioned in title I of "poverty package.")                                                                                             |
| 2. Area redevelopment training program.....                                                                                                                       | 9.0             | Administered in conjunction with Area Redevelopment Administration.                                                                                                                                                                                                                                              |
| 3. Apprentice training program.....                                                                                                                               | 5.5             |                                                                                                                                                                                                                                                                                                                  |
| 4. Unemployment Insurance Service and U.S. Employment Service.....                                                                                                | 13.4            |                                                                                                                                                                                                                                                                                                                  |
| <b>HOUSING AND HOME FINANCE AGENCY:</b>                                                                                                                           |                 |                                                                                                                                                                                                                                                                                                                  |
| 1. Low-income housing demonstration programs.....                                                                                                                 | 5.0             | Housing is one of the programs singled out for attention in title II of the "poverty bill." In the huge existing program there already is close coordination between HHFA and HEW to provide numerous services for families living in public housing.                                                            |
| 2. Public facility loans (1965 capital outlay).....                                                                                                               | 110.0           |                                                                                                                                                                                                                                                                                                                  |
| 3. Urban renewal grants.....                                                                                                                                      | 1,320.3         |                                                                                                                                                                                                                                                                                                                  |
| 4. Housing for elderly loan fund.....                                                                                                                             | 100.0           |                                                                                                                                                                                                                                                                                                                  |
| 5. Low-rent public housing grants.....                                                                                                                            | 230.6           |                                                                                                                                                                                                                                                                                                                  |
| 6. Low-rent public housing development loans.....                                                                                                                 | 399.0           |                                                                                                                                                                                                                                                                                                                  |
| <b>SMALL BUSINESS ADMINISTRATION:</b>                                                                                                                             |                 |                                                                                                                                                                                                                                                                                                                  |
| 1. Business loans.....                                                                                                                                            | 197.1           | These 2 programs (1 and 2) virtually duplicate title IV of the "poverty bill."                                                                                                                                                                                                                                   |
| 2. Investment and development company assistance; debenture purchase and loans.....                                                                               | 105.3           |                                                                                                                                                                                                                                                                                                                  |

#### Summary of programs already budgeted to combat poverty

With the exclusions noted above (principally, social security funds and the bulk of the initial funds for the poverty package), the total amount budgeted in fiscal 1965 for programs which combat poverty is \$8,738,600,000. This \$8.7 billion may be summarized as follows:

1. Public assistance payments; food donations; school lunch; other direct aid to needy persons, \$3,287.3 million.

2. Agricultural redevelopment; assistance for farm families and rural communities (does not include price supports), \$468 million.

3. Vocational education; manpower training and development; U.S. Employment Service, \$644.3 million.

4. College student loan fund; other special educational programs, \$295.8 million.

5. Area redevelopment and accelerated public works, \$436.7 million.

6. Vocational rehabilitation; community health; family services and prevention of dependency, \$888.3 million.

7. Indian health and welfare, land and resources, \$250.9 million.

8. Loan assistance for small business, \$302.4 million.

9. Urban renewal, public facilities, and low-income housing, \$2,164.9 million.

These funds are budgeted to Federal departments and agencies, as follows:

|                                                   | Million |
|---------------------------------------------------|---------|
| 1. Office of the President.....                   | \$214.2 |
| 2. Agriculture Department.....                    | 1,015.9 |
| 3. Commerce Department.....                       | 222.5   |
| 4. Health, Education, and Welfare Department..... | 4,191.1 |
| 5. Interior Department.....                       | 188.7   |
| 6. Labor Department.....                          | 438.9   |
| 7. Housing and Home Finance Agency.....           | 2,164.9 |
| 8. Small Business Administration.....             | 302.4   |
| Total.....                                        | 8,738.6 |

#### NATURAL GAS REGULATION

(Mr. WILLIAMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WILLIAMS. Mr. Speaker, attempts at well-head regulation of natural gas sales pursuant to the Phillips decision have resulted in the creation of a chaotic condition within the natural gas industry. The need for corrective legislation, either exempting these sales from regulation or providing some legis-

lative standards or yardsticks by which regulation could be effected, is quite apparent.

Recently, speaking before the convention of the Independent Petroleum Association of America in New Orleans, Mr. Robert W. Henderson, an attorney of Dallas, Tex., delivered a masterful address which pointed up the necessity for prompt action.

Because Mr. Henderson is unusually qualified to speak on this subject, I feel his thoughts will be of interest to the House of Representatives. Accordingly, I include Mr. Henderson's speech at this point in the RECORD:

OPENING REMARKS OF ROBERT W. HENDERSON  
BEFORE THE INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA, MAY 5, 1964

I consider it a great pleasure to appear here before you and to have the opportunity to make a few brief remarks to independent producers, the backbone of the oil and gas industry. Further, it is indeed an honor to appear on this panel with the distinguished Congressman from Mississippi, Mr. JOHN BELL WILLIAMS, and your most learned general counsel, Mr. L. Dan Jones. Both of these distinguished gentlemen should be com-



mended for their untiring efforts in bringing the need for corrective legislation to the attention of Congress and the general public. Congressman WILLIAMS, made an excellent speech on this same subject to the House of Representatives on April 15, 1964.

With 10 years of confusion and chaos behind the gas producing industry, where are we now headed in the attempt by the Federal Power Commission to regulate an industry under a statute which was not designed nor intended to apply to independent producers?

We are all aware that on June 7, 1954, the Supreme Court concluded in the Phillips decision that independent producers selling gas in interstate commerce were subject to regulation under the Natural Gas Act, which was passed in 1938 by Congress. Let me emphasize three most important points at this time: First, that act was not designed for regulation of independent producers, but for public utility pipeline companies; second, the act does not contemplate nor was it designed to regulate anything but the individual company; and, third, the act does not require FPC to use the rate base cost-of-service approach, although FPC may if such an approach is found to be sound, reasonable, and feasible.

Up until September 28, 1960, the date of the Phillips opinion No. 338 and statement of general policy 61-1, FPC recognized that its duty was to regulate the individual company, and it attempted to accomplish this purpose through the use of the rate base-cost-of-service approach. FPC then discarded that approach and came to the conclusion that it was impractical and unworkable to regulate producers as utilities.

However, FPC then embarked upon its area price approach in an attempt to set a commodity price for gas for 23 pricing areas. In my opinion, such action is in direct conflict with the act which contemplates the regulation of the individual company insofar as its interstate gas business is concerned. There are no standards or guidelines in the act which indicate in any manner as to how a price for gas is to be determined on an area basis. Such a regulatory procedure was not contemplated. The only standard in the act is that the price shall be lawful which has been defined as a "just and reasonable rate." The method of regulation is clearly an area of responsibility for Congress. If the FPC on September 28, 1960, believed that it was obligated to continue its attempt to regulate producers, it should have sought legislative guidance from Congress. But this it didn't do. It commenced its experiment.

In December 1960, FPC instigated the Permian Basin area rate proceeding and in May 1961, it instigated the south Louisiana area rate proceeding. The trial of the Permian case is over and we are waiting for the trial examiner's initial decision. Hearings commenced in the south Louisiana case 2 weeks ago. As you know, FPC instigated the Hugoton-Anadarko and Texas gulf coast proceedings late last year, and 114 companies are busily filling out 10-pound questionnaires.

Let's take a closer look at the Permian and the south Louisiana area rate proceedings.

In the Permian case FPC appointed a trial examiner to receive and hear the evidence and sit in judgment without being furnished any guidelines or standards as to how to conduct such a hearing, what types of evidence to receive and what the issues should be. This failure to provide any guidance is due, in my opinion, to the fact that FPC was at the time the case was commenced and is today without such knowledge, even though it continues to refuse to request Congress for such guidance. The lack of standards and guidelines is the principal reason that the case was in process for more than 2½ years. There were some 250 hearings days. The transcript consists of more

than 30,000 pages. There are 337 exhibits. The initial brief of the staff of the Commission is over 500 pages.

In the south Louisiana case, where hearings commenced 2 weeks ago even though the case was instigated in May of 1961, the transcript is already over 7,000 pages and there have been 197 exhibits marked for identification. The exhibits alone, if stacked up, would be over 3 feet high. The time required for cross-examination has been estimated to be from 6 months to a year.

The cost of preparing and presenting evidence in these area proceedings is overwhelming. In the Permian case alone, the group of cooperating producers incurred an expense of approximately \$1½ million on outside consulting and witness fees alone. This same group will spend in excess of a million dollars on these outside consulting and witness fees in the south Louisiana case. Let me emphasize that these expenses are only a small fraction of the total costs. This same group of cooperating producers must have had over a hundred of their own personnel directly involved in these proceedings as technicians. As you may know, large groups of accountants, engineers, economists, geologists, and lawyers are needed. The salaries and traveling expenses of such company personnel are not included in these estimates nor do such estimates include the tremendous cost incurred by the industry in furnishing the 1960 cost data which is being used in those two cases.

The cost of the transcript alone exceeds the dollars involved of many small producers. Ninety percent of the number of producers involved in these area rate proceedings cannot economically justify the retention of local counsel or the use of employed counsel to even keep up with the proceedings through the purchase of the daily transcripts. Very few producers can justify having counsel present at the hearings, notwithstanding the fact that each producer is absent from the day-to-day hearings at his own peril. The trial examiner in the south Louisiana case made this point very clear this past April 23, even though it was pointed out to him that 200 of the 233 respondents in the proceeding could not afford to keep counsel present in the hearing room since such cost would far exceed what the producers had involved in the proceeding. Under these circumstances there should be no doubt in anyone's mind that the smaller producers are being denied due process of law as guaranteed by the Constitution.

It may be of interest to know that producers are not only faced with opposition from the staff of FPC but from groups of distributors, public service commissions and occasionally with the views and contentions of pipeline companies. For instance, in the south Louisiana proceeding, the opposition is composed of the FPC staff and two different groups of distributors.

Basically, there are two principal contentions as to how area rates should be established. First, there is the contention that area rates should be based upon costs which are allocated to gas and which are supposed to represent the costs of exploring, developing, and producing such gas. The second contention is that area rates should be based upon economic evidence which considers the supply and demand situation together with the revenue requirements of the industry which is required to bring forth the needed supply.

In the south Louisiana proceeding, the FPC staff and both groups of distributors contend that the area price should be a cost-based rate. That is, they contend that the cost of finding, developing, and producing gas should be determined from the cost data which is available only from 81 producers out of 233 which are parties to that proceeding. They further argue that such area price determination should be made pur-

suant to the rate base cost of service approach. Since there are no precise and definitive standards and guidelines in calculating a per unit cost by the cost of service approach, each of the three adversaries determines a different per unit cost for gas. However, each of the per unit cost determinations falls within the range of 13 to 14 cents per thousand cubic feet, if you exclude the 2.3-cent Louisiana severance tax.

Based upon these cost determinations the staff is recommending a price of 15.75 cents for all contracts located within the taxing jurisdiction of Louisiana and 13.45 cents for that portion of the offshore area located outside of the taxing jurisdiction of Louisiana. Even though the price recommendations of the distributor groups are somewhat more favorable to the producers than the recommendations of the staff, they still are asking for an approximate 25-percent reduction in revenues from the existing contract prices.

There are two principal supporters of the contention that the area price determination should be based upon economic considerations. First, your association contends that, if any area rate is to be determined, FPC should use "market value" of natural gas as determined by currently negotiated competitive contracts. The second principal supporter is a group of cooperating producers which is primarily composed of the major integrated companies. This group of producers contend that FPC should weigh all of the economic considerations in arriving at a considered judgment as to what is a proper area price, including such factors as the relation of supply and demand, the cost-profit ratios, the production-reserve ratios and the statistical trends in drilling. These producers recommend a price of 24 to 25 cents per thousand cubic feet.

You should know that the FPC staff, in rebuttal to such economic considerations, has presented what they refer to as an econometric model. The witness who sponsors such theory is called an econometrician. I was told that an econometrician is a person who is an economist, a statistician, and a mathematician since he takes economic theory and applies statistical tests to express his results in mathematical equations. Regardless of what an econometrician may be, the conclusions show the absurdity of the theory. For example, it is contended that if gas prices are reduced, demand for gas will increase; therefore, you as an independent producer can produce and sell more gas and thereby will have more revenue to use for exploration to discover the additional gas which is needed to satisfy the increased demand. If you follow this concept to its logical conclusion, the cheaper the gas—the greater the exploration effort.

I might mention a few additional positions which are being advocated. A few producers, including the ones that I represent, contend that the area rate approach is invalid and that any just and reasonable determination of their contract prices should be made by considering each producer's own individual circumstances including its cost of finding, developing, and producing the gas. Some of these same individual producers are also contending that the cost characteristics of the small producers are so different that their prices cannot be legally established through the use of composite rate base cost-of-service studies which include the cost of the large major integrated companies. The facts supporting this contention clearly show the invalidity of the area price approach.

In the Permian Basin proceeding there are 399 producer-parties. The composite rate-base cost of service exhibits of the FPC staff include the cost data of only 131 producers which include all of the major integrated companies. However, those exhibits do not include the cost data of some 268 small pro-









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued May 27, 1964  
For actions of May 26, 1964  
88th-2nd; No. 105



## CONTENTS

|                         |                        |                         |
|-------------------------|------------------------|-------------------------|
| Appalachia.....25       | Crop surpluses.....15  | Foreign aid.....8,20,35 |
| Appropriations.....9,11 | Economics.....26       | Foreign trade.....22    |
| Awards.....29           | Electrification.....19 | Lands.....3             |
| Budget.....27           | Farm labor.....17      | Lobbying.....21         |
| Civil rights.....1      | Fisheries.....38       | Meat imports.....5,13   |
| Credit.....36           | Food marketing.....14  | Monopolies.....6        |
|                         |                        | National parks.....18   |
|                         |                        | Opinion poll.....23     |
|                         |                        | Personnel.....7,29,31   |
|                         |                        | Poverty.....4,12,30,34  |
|                         |                        | Property.....37         |
|                         |                        | Public debt.....16,33   |
|                         |                        | Reclamation.....15,19   |
|                         |                        | Research.....26         |
|                         |                        | Stockpiling.....2       |
|                         |                        | Water.....28,32         |
|                         |                        | Wheat.....24            |
|                         |                        | Wilderness.....10       |

HIGHLIGHTS: House committee approved poverty bill. House Rules Committee voted to clear food marketing study bill. Rep. Aspinall contended that reclamation program does not cause additional crop surpluses. Rep. Frelinghuysen criticized committee approval of poverty bill. Sen. Jordan, Ida., inserted items urging limitation on meat imports. Sen. McCarthy inserted Shriver's speech on effects of poverty program on rural areas.

## SENATE

1. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill (pp. 11505-7, 11528-54). Sen. Dirksen submitted an amendment in the nature of a substitute for the text of the bill, and stated the proposed amendment was the result of compromises worked out in conferences with Democratic leaders (pp. 11537-47).
2. STOCKPILE. The Armed Services Committee reported H. R. 10774, without amendment, to authorize the disposal, without regard to the prescribed six-month waiting period, of cadmium from the national stockpile and the supplemental stockpile (S. Rept. 1026), and S. 2272, with amendment, to insure the availability of certain critical materials during a war or national emergency by providing for a reserve of such materials (S. Rept. 1025). p. 11502

3. LANDS. The Public Lands Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 1477, with amendment, to direct the Secretary of the Interior to sell certain public lands in Ariz., and S. 2082, without amendment, to authorize the Secretary of the Interior to accept a transfer of certain lands within the Everglades National Park, Fla., for administration as a part of the park. p. D412
4. POVERTY. Sen. McCarthy inserted Sargent Shriver's speech before the National Advisory Council on Farm Labor describing "the direct and immediate help the poverty bill will bring to America's rural poor." pp. 11511-2  
Sen. Williams, N. J., inserted a speech by A. Philip Randolph before the National Advisory Council on Farm Labor urging enactment of the proposed poverty bill as a means of helping the farmworker. p. 11510
5. MEAT IMPORTS. Sen. Jordan, Ida., inserted and commended the statement adopted by the Western States Beef Import Conference urging enactment of legislation to limit meat imports. pp. 11513-4
6. MONOPOLIES. The Judiciary Committee submitted for printing a report, "Anti-trust and Monopoly Activities, 1963." p. 11503
7. PERSONNEL. Sen. Carlson stated that it "is not generally recognized that great changes have occurred in the composition of the work force occasioned by advancing technology, increasing population, and changing Government mission," and inserted and commended an address by Civil Service Commissioner Robert E. Hampton describing recent changes in Federal personnel management. pp. 11520-3
8. FOREIGN AID. Sen. Javits commended the appointment of the Advisory Committee on Private Enterprise in Foreign Aid. p. 11517
9. APPROPRIATIONS. Sen. McCarthy expressed concern over "delay in acting on appropriation bills" and inserted a statement of the National Capital area chapter of the American Society for Public Administration, "The Administrative Cost of Delayed Appropriations." pp. 11510-1
10. WILDERNESS. Sen. Metcalf paid tribute to the late Dr. Howard Zahniser, executive director of the Wilderness Society. pp. 11508-9

#### HOUSE

11. APPROPRIATIONS. By a vote of 340 to 5, passed without amendment H. R. 11369, the military construction appropriation bill for 1965. pp. 11562-78
12. POVERTY. The "Daily Digest" states that the Education and Labor Committee "Met in executive session and adopted H. R. 10440, the Economic Opportunity Act of 1964, as amended; a clean bill to be introduced." p. D413  
Rep. Frelinghuysen criticized committee approval of the poverty bill. pp. 11584-5
13. MEAT IMPORTS. Rep. Morris stated, "Australian grazers and meat industry representatives were extremely pleased with the meat import agreement concluded with the United States." p. 11603
14. FOOD MARKETING. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 2 hours of debate, on H. J. Res. 977, to establish a National Commission on Food Marketing." p. D414



88TH CONGRESS  
2D SESSION

# H. R. 11377

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## IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1964

Mr. LANDRUM introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Economic Opportunity  
4       Act of 1964".

### 5               FINDINGS AND DECLARATION OF PURPOSE

6       SEC. 2. Although the economic well-being and prosperity  
7       of the United States have progressed to a level surpassing  
8       any achieved in world history, and although these benefits  
9       are widely shared throughout the Nation, poverty continues  
10      to be the lot of a substantial number of our people. The  
11      United States can achieve its full economic and social poten-



1 tial as a nation only if every individual has the opportunity  
2 to contribute to the full extent of his capabilities and to par-  
3 ticipate in the workings of our society. It is, therefore, the  
4 policy of the United States to eliminate the paradox of  
5 poverty in the midst of plenty in this Nation by opening to  
6 everyone the opportunity for education and training, the  
7 opportunity to work, and the opportunity to live in decency  
8 and dignity. It is the purpose of this Act to strengthen,  
9 supplement, and coordinate efforts in furtherance of that  
10 policy.

## 11 TITLE I—YOUTH PROGRAMS

### 12 PART A—JOB CORPS

#### 13 STATEMENT OF PURPOSE

14 SEC. 101. The purpose of this part is to prepare for the  
15 responsibilities of citizenship and to increase the employa-  
16 bility of young men and young women aged sixteen through  
17 twenty-one by providing them in rural and urban residential  
18 centers with education, vocational training, useful work ex-  
19 perience, including work directed toward the conservation of  
20 natural resources, and other appropriate activities.

#### 21 ESTABLISHMENT OF JOB CORPS

22 SEC. 102. In order to carry out the purposes of this  
23 part, there is hereby established within the Office of Eco-  
24 nomic Opportunity (hereinafter referred to as the "Office"),

1 established by title VI, a Job Corps (hereinafter referred to  
2 as the "Corps").

3                                   JOB CORPS PROGRAM

4       SEC. 103. The Director of the Office (hereinafter  
5 referred to as the "Director") is authorized to—

6           (a) enter into agreements with any Federal, State,  
7 or local agency or private organization for the establish-  
8 ment and operation, in rural and urban areas, of con-  
9 servation camps and training centers and for the pro-  
10 vision of such facilities and services as in his judgment  
11 are needed to carry out the purposes of this part, includ-  
12 ing agreements with agencies charged with the respon-  
13 sibility of conserving, developing, and managing the  
14 public natural resources of the Nation and of develop-  
15 ing, managing, and protecting public recreational areas,  
16 whereby the enrollees of the Corps may be utilized by  
17 such agencies in carrying out, under the immediate super-  
18 vision of such agencies, programs planned and designed  
19 by such agencies to fulfill such responsibility, and includ-  
20 ing agreements for a botanical survey program involving  
21 surveys and maps of existing vegetation and investiga-  
22 tions of the plants, soils, and environments of natural  
23 and disturbed plant communities;

24           (b) arrange for the provision of education and

1 vocational training of enrollees in the Corps: *Provided*,  
2 That, where practicable, such programs may be pro-  
3 vided through local public educational agencies or by  
4 private vocational educational institutions or technical  
5 institutes where such institutions or institutes can pro-  
6 vide substantially equivalent training with reduced Fed-  
7 eral expenditures;

8 (c) provide or arrange for the provision of pro-  
9 grams of useful work experience and other appropriate  
10 activities for enrollees;

11 (d) establish standards of safety and health for  
12 enrollees, and furnish or arrange for the furnishing of  
13 health services; and

14 (e) prescribe such rules and regulations and make  
15 such arrangements as he deems necessary to provide  
16 for the selection of enrollees and to govern their conduct  
17 after enrollment, including appropriate regulations as  
18 to the circumstances under which enrollment may be  
19 terminated.

#### 20 COMPOSITION OF THE CORPS

21 SEC. 104. (a) The Corps shall be composed of young  
22 men and young women who are permanent residents of the  
23 United States, who have attained age sixteen but have not  
24 attained age twenty-two at the time of enrollment, and  
25 who meet the standards for enrollment prescribed by the



1 Director. Participation in the Corps shall not relieve any  
2 enrollee of obligations under the Universal Military Training  
3 and Service Act (50 U.S.C. App. 451 et seq.). Only in  
4 exceptional cases shall enrollees in the Corps be graduates  
5 of an accredited high school, and no person shall be ac-  
6 cepted for enrollment in the Corps unless the local school  
7 authorities have concluded that further school attendance  
8 by such person in any regular academic, vocational, or train-  
9 ing program, is not practicable.

10 (b) In order to enroll as a member of the Corps, an  
11 individual must agree to comply with rules and regulations  
12 promulgated by the Director for the government of the  
13 Corps.

14 (c) The total enrollment of any individual in the Corps  
15 shall not exceed two years except as the Director may deter-  
16 mine in special cases.

#### 17 ALLOWANCE AND MAINTENANCE

18 SEC. 105. (a) Enrollees may be provided with such  
19 living, travel, and leave allowances, and such quarters, sub-  
20 sistence, transportation, equipment, clothing, recreational  
21 services, medical, dental, hospital, and other health services,  
22 and other expenses as the Director may deem necessary or  
23 appropriate for their needs. Transportation and travel al-  
24 lowances may also be provided, in such circumstances as the  
25 Director may determine, for applicants for enrollment to or

1 from places of enrollment, and for former enrollees from  
2 places of termination to their homes.

3 (b) Upon termination of his or her enrollment in the  
4 Corps, each enrollee shall be entitled to receive a readjust-  
5 ment allowance at a rate not to exceed \$50 for each month  
6 of satisfactory participation therein as determined by the  
7 Director: *Provided, however,* That under such circumstances  
8 as the Director may determine, a portion of the readjust-  
9 ment allowance of an enrollee not exceeding \$25 for each  
10 month of satisfactory service may be paid during the period  
11 of service of the enrollee directly to a member of his or her  
12 family (as defined in section 608 (c) ) and any sum so paid  
13 shall be supplemented by the payment of an equal amount  
14 to the dependent by the Director. In the event of the en-  
15 rollee's death during the period of his or her service, the  
16 amount of any unpaid readjustment allowance shall be paid in  
17 accordance with the provisions of section 1 of the Act of  
18 August 3, 1950 (5 U.S.C. 61f).

19 APPLICATION OF PROVISIONS OF FEDERAL LAW

20 SEC. 106. (a) Except as otherwise specifically provided  
21 in this part, an enrollee shall be deemed not to be a Federal  
22 employee and shall not be subject to the provisions of laws  
23 relating to Federal employment, including those relating to  
24 hours of work, rates of compensation, leave, unemployment  
25 compensation, and Federal employee benefits.

1       (b) Enrollees shall be deemed to be employees of the  
2 United States for the purposes of the Internal Revenue Code  
3 of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social  
4 Security Act (42 U.S.C. 401 et seq.), and any service per-  
5 formed by an individual as an enrollee shall be deemed for  
6 such purposes to be performed in the employ of the United  
7 States.

8       (c) (1) Enrollees under this part shall, for the purposes  
9 of the administration of the Federal Employees' Compensa-  
10 tion Act (5 U.S.C. 751 et seq.), be deemed to be civil  
11 employees of the United States within the meaning of the  
12 term "employee" as defined in section 40 of such Act (5  
13 U.S.C. 790) and the provisions thereof shall apply except as  
14 hereinafter provided.

15       (2) For purposes of this subsection:

16       (A) The term "performance of duty" in the Federal  
17 Employees' Compensation Act shall not include any act  
18 of an enrollee—

19               (i) while on authorized leave or pass; or

20               (ii) while absent from his or her assigned post  
21 of duty, except while participating in an activity author-  
22 ized by or under the direction or supervision of the  
23 Corps.

24       (B) In computing compensation benefits for disability  
25 or death under the Federal Employees' Compensation Act,



1 the monthly pay of an enrollee shall be deemed to be \$150,  
2 except that with respect to compensation for disability ac-  
3 cruing after the individual concerned reaches the age of  
4 twenty-one, such monthly pay shall be deemed to be that  
5 received under the entrance salary for GS-2 under the  
6 Classification Act of 1949 (5 U.S.C. 1071 et seq.), and  
7 section 6 (d) (1) of the latter Act shall apply to enrollees.

8 (C) Compensation for disability shall not begin to ac-  
9 crue until the day following the date on which the enrollment  
10 of the injured enrollee is terminated.

11 (d) An enrollee shall be deemed to be an employee of  
12 the Government for the purposes of the Federal tort claims  
13 provisions of title 28, United States Code.

14 (e) Personnel of the uniformed services who are de-  
15 tailed or assigned to duty in the performance of agreements  
16 made by the Director for the support of the Corps shall not  
17 be counted in computing strengths under any law limiting  
18 the strength of such services or in computing the percentage  
19 authorized by law for any grade therein.

## 20 PART B—WORK-TRAINING PROGRAMS

### 21 STATEMENT OF PURPOSE

22 SEC. 111. The purpose of this part is to provide useful  
23 work experience opportunities for unemployed young men  
24 and young women, through participation in State and com-  
25 munity work-training programs, so that their employability

1 may be increased or their education resumed or continued  
2 and so that public agencies and private nonprofit organiza-  
3 tions will be enabled to carry out programs which will permit  
4 or contribute to an undertaking or service in the public in-  
5 terest that would not otherwise be provided, or will con-  
6 tribute to the conservation and development of natural re-  
7 sources and recreational areas.

#### 8 DEVELOPMENT OF PROGRAMS

9 SEC. 112. In order to carry out the purposes of this  
10 part, the Director shall assist and cooperate with State and  
11 local agencies and private nonprofit organizations in devel-  
12 oping programs for the employment of young people in State  
13 and community activities hereinafter authorized, which,  
14 whenever appropriate, shall be coordinated with programs  
15 of training and education provided by local public educa-  
16 tional agencies.

#### 17 FINANCIAL ASSISTANCE

18 SEC. 113. (a) The Director is authorized to enter into  
19 agreements providing for the payment by him of part or all  
20 of the cost of a State or local program submitted hereunder  
21 if he determines, in accordance with such regulations as he  
22 may prescribe, that—

23 (1) enrollees in the program will be employed  
24 either (A) on publicly owned and operated facilities or

1 projects, or (B) on local projects sponsored by private  
2 nonprofit organizations, other than projects involving  
3 the construction, operation, or maintenance of any facil-  
4 ity used or to be used solely for sectarian instruction or  
5 as a place for religious worship;

6 (2) the program will increase the employability  
7 of the enrollees by providing work experience and train-  
8 ing in occupational skills or pursuits in classifications  
9 in which the Director finds there is a reasonable expect-  
10 tation of employment, or will enable student enrollees to  
11 resume or to maintain school attendance;

12 (3) the program will permit or contribute to an  
13 undertaking or service in the public interest that would  
14 not otherwise be provided, or will contribute to the con-  
15 servation, development, or management of the natural  
16 resources of the State or community or to the develop-  
17 ment, management, or protection of State or community  
18 recreational areas;

19 (4) the program will not result in the displacement  
20 of employed workers or impair existing contracts for  
21 services;

22 (5) the rates of pay and other conditions of em-  
23 ployment will be appropriate and reasonable in the  
24 light of such factors as the type of work performed,  
25 geographical region, and proficiency of the employee;



(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

#### ENROLLEES IN PROGRAMS

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

1       (b) Enrollees shall be deemed not to be Federal em-  
2 ployees and shall not be subject to the provisions of laws  
3 relating to Federal employment, including those relating to  
4 hours of work, rates of compensation, leave, unemployment  
5 compensation, and Federal employee benefits.

6       (c) Where appropriate to carry out the purposes of this  
7 Act, the Director may provide for testing, counseling, job  
8 development, and referral services to youths through public  
9 agencies or private nonprofit organizations.

10                   LIMITATIONS ON FEDERAL ASSISTANCE

11       SEC. 115. Federal assistance to any program pursuant to  
12 this part paid for the period ending two years after the date  
13 of enactment of this Act, or June 30, 1966, whichever is  
14 later, shall not exceed 90 per centum of the costs of such  
15 program, including costs of administration, and such assist-  
16 ance paid for periods thereafter shall not exceed 50 per  
17 centum of such costs, unless the Director determines, pursuant  
18 to regulations adopted and promulgated by him establishing  
19 objective criteria for such determinations, that assistance in  
20 excess of such percentages is required in furtherance of the  
21 purposes of this part. Non-Federal contributions may be in  
22 cash or in kind, fairly evaluated, including but not limited to  
23 plant, equipment, and services.

## EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than  $12\frac{1}{2}$  per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

## PART C—WORK-STUDY PROGRAMS

## STATEMENT OF PURPOSE

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

## ALLOTMENTS TO STATES

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respec-



1 tive needs for assistance under this part. The remainder  
2 of the sums so reserved shall be allotted among the States  
3 as provided in subsection (b).

4 (b) Of the sums being allotted under this subsection—

5 (1) one-third shall be allotted by the Director  
6 among the States so that the allotment to each State un-  
7 der this clause will be an amount which bears the same  
8 ratio to such one-third as the number of persons en-  
9 rolled on a full-time basis in institutions of higher educa-  
10 tion in such State bears to the total number of persons  
11 enrolled on a full-time basis in institutions of higher  
12 education in all the States,

13 (2) one-third shall be allotted by the Director  
14 among the States so that the allotment to each State  
15 under this clause will be an amount which bears the  
16 same ratio to such one-third as the number of high school  
17 graduates (as defined in section 103 (d) (3) of the  
18 Higher Education Facilities Act of 1963) of such  
19 State bears to the total number of such high school  
20 graduates of all the States, and

21 (3) one-third shall be allotted by him among the  
22 States so that the allotment to each State under this  
23 clause will be an amount which bears the same ratio to  
24 such one-third as the number of related children under

1        eighteen years of age living in families with annual  
2        incomes of less than \$3,000 in such State bears to the  
3        number of related children under eighteen years of age  
4        living in families with annual incomes of less than  
5        \$3,000 in all the States.

6        (c) The amount of any State's allotment which has not  
7        been granted to an institution of higher education under  
8        section 123 at the end of the fiscal year for which appro-  
9        priated shall be reallocated by the Director, in such manner as  
10       he determines will best assist in achieving the purposes of  
11       this Act. Amounts reallocated under this subsection shall be  
12       available for making grants under section 123 until the close  
13       of the fiscal year next succeeding the fiscal year for which  
14       appropriated.

15       (d) For purposes of this section, the term "State" does  
16       not include Puerto Rico, Guam, American Samoa, and the  
17       Virgin Islands.

18                    GRANTS FOR WORK-STUDY PROGRAMS

19       SEC. 123. The Director is authorized to enter into  
20       agreements with institutions of higher education (as defined  
21       by section 103 of the National Defense Education Act of  
22       1958 (20 U.S.C. 403) ) under which the Director will make  
23       grants to such institutions to assist in the operation of work-  
24       study programs as hereinafter provided.

## 1 CONDITIONS OF AGREEMENTS

2 SEC. 124. An agreement entered into pursuant to sec-  
3 tion 122 shall—

4 (a) provide for the operation by the institution of  
5 a program for the part-time employment of its students  
6 in work—

7 (1) for the institution itself, or

8 (2) for a public or private nonprofit organiza-  
9 tion when the position is obtained through an ar-  
10 rangement between the institution and such an orga-  
11 nization and—

12 (A) the work is related to the student's  
13 educational objective, or

14 (B) such work (i) will be in the public  
15 interest and is work which would not otherwise  
16 be provided, (ii) will not result in the displace-  
17 ment of employed workers or impair existing  
18 contracts for services, and (iii) will be governed  
19 by such conditions of employment as will be  
20 appropriate and reasonable in light of such fac-  
21 tors as the type of work performed, geographi-  
22 cal region, and proficiency of the employee:

23 *Provided, however,* That no such work shall involve the  
24 construction, operation, or maintenance of any facility



1 used or to be used solely for sectarian instruction or as a  
2 place for religious worship;

3 (b) provide that funds granted an institution of  
4 higher education, pursuant to section 123 may be used  
5 only to make payments to students participating in  
6 work-study programs, except that an institution may use  
7 a portion of the sums granted to it to meet administra-  
8 tive expenses, but the amount so used may not exceed  
9 5 per centum of the payments made by the Director to  
10 such institution for that part of the work-study program  
11 in which students are working for public or nonprofit  
12 organizations other than the institution itself;

13 (c) provide that employment under such work-  
14 study program shall be furnished only to a student who  
15 (1) is from a low-income family, (2) is in need of the  
16 earnings from such employment in order to pursue a  
17 course of study at such institution, (3) is capable, in the  
18 opinion of the institution, of maintaining good standing in  
19 such course of study while employed under the program  
20 covered by the agreement, and (4) has been accepted  
21 for enrollment as a full-time student at the institution or,  
22 in the case of a student already enrolled in and attending  
23 the institution, is in good standing and in full-time attend-

1       ance there either as an undergraduate, graduate, or  
2       professional student;

3           (d) provide that no student shall be employed  
4       under such work-study program for more than fifteen  
5       hours in any week in which classes in which he is en-  
6       rolled are in session;

7           (e) provide that in each fiscal year during which  
8       the agreement remains in effect, the institution shall ex-  
9       pend (from sources other than payments under this  
10      part) for the employment of its students (whether or not  
11      in employment eligible for assistance under this part)  
12      an amount that is not less than its average annual ex-  
13      penditure for such employment during the three fiscal  
14      years preceding the fiscal year in which the agreement is  
15      entered into;

16          (f) provide that the compensation of students em-  
17      ployed in the work-study program in accordance with  
18      the agreement will not exceed (1) in the case of work  
19      for the institution itself, 90 per centum of such compen-  
20      sation for work performed during the period ending two  
21      years after the date of enactment of this Act, or June  
22      30, 1966, whichever is later, and 75 per centum there-  
23      after; or (2) in the case of work for public agencies or  
24      private nonprofit organizations, 50 per centum of such  
25      compensation.

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### SOURCES OF MATCHING FUNDS

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized



1 to be appropriated the sum of \$412,500,000 for the fiscal  
2 year ending June 30, 1965; and for the fiscal year ending  
3 June 30, 1966, and the fiscal year ending June 30, 1967,  
4 such sums may be appropriated as the Congress may here-  
5 after authorize by law.

6 TITLE II—URBAN AND RURAL COMMUNITY  
7 ACTION PROGRAMS

8 PART A—GENERAL COMMUNITY ACTION PROGRAMS

9 STATEMENT OF PURPOSE

10 SEC. 201. The purpose of this part is to provide stim-  
11 ulation and incentive for urban and rural communities to  
12 mobilize their resources to combat poverty through com-  
13 munity action programs.

14 COMMUNITY ACTION PROGRAMS

15 SEC. 202. (a) The term “community action program”  
16 means a program—

17 (1) which mobilizes and utilizes resources, public  
18 or private, of any urban or rural, or combined urban  
19 and rural, geographical area (referred to in this part as  
20 a “community”), including but not limited to a State,  
21 metropolitan area, county, city, town, multicity unit, or  
22 multicounty unit in an attack on poverty;

23 (2) which provides services, assistance, and other  
24 activities of sufficient scope and size to give promise of

1 progress toward elimination of poverty or a cause or  
2 causes of poverty through developing employment op-  
3 portunities, improving human performance, motivation,  
4 and productivity, or bettering the conditions under  
5 which people live, learn, and work;

6 (3) which is developed, conducted, and adminis-  
7 tered with the maximum feasible participation of resi-  
8 dents of the areas and members of the groups referred  
9 to in section 204 (a) ; and

10 (4) which is conducted, administered, or coordi-  
11 nated by a public or private nonprofit agency, or a combi-  
12 nation thereof.

13 (b) The Director is authorized to prescribe such addi-  
14 tional criteria for programs carried on under this part as he  
15 shall deem appropriate.

#### 16 ALLOTMENTS TO STATES

17 SEC. 203. (a) From the sums appropriated to carry  
18 out this title for a fiscal year, the Director shall reserve the  
19 amount needed for carrying out sections 204 and 205. Not  
20 to exceed 2 per centum of the amount so reserved shall be  
21 allotted by the Director among Puerto Rico, Guam, Ameri-  
22 can Samoa, and the Virgin Islands according to their re-  
23 spective needs for assistance under this part. Twenty per  
24 centum of the amount so reserved shall be allotted among

1 the States as the Director shall determine. The remainder  
2 of the sums so reserved shall be allotted among the States  
3 as provided in subsection (b).

4 (b) Of the sums being allotted under this subsection—

5 (1) one-third shall be allotted by the Director  
6 among the States so that the allotment to each State  
7 under this clause will be an amount which bears the  
8 same ratio to such one-third as the number of public  
9 assistance recipients in such State bears to the total  
10 number of public assistance recipients in all the States;

11 (2) one-third shall be allotted by him among the  
12 States so that the allotment to each State under this  
13 clause will be an amount which bears the same ratio to  
14 such one-third as the annual average number of persons  
15 unemployed in such State bears to the annual average  
16 number of persons unemployed in all the States; and

17 (3) the remaining one-third shall be allotted by him  
18 among the States so that the allotment to each State  
19 under this clause will be an amount which bears the  
20 same ratio to such one-third as the number of related  
21 children under 18 years of age living in families with  
22 incomes of less than \$1,000 in such State bears to the  
23 number of related children under 18 years of age living  
24 in families with incomes of less than \$1,000 in all the  
25 States.



1       (c) The portion of any State's allotment under sub-  
2 section (a) for a fiscal year which the Director determines  
3 will not be required, for such fiscal year for carrying out this  
4 part shall be available for reallocation from time to time,  
5 on such dates during such year as the Director may fix, to  
6 other States in proportion to their original allotments for such  
7 year, but with such proportionate amount for any of such  
8 other States being reduced to the extent it exceeds the sum  
9 which the Director estimates such State needs and will be  
10 able to use for such year for carrying out this part; and the  
11 total of such reductions shall be similarly reallocated among  
12 the States whose proportionate amounts are not so reduced.  
13 Any amount reallocated to a State under this subsection during  
14 a year shall be deemed part of its allotment under subsection  
15 (a) for such year.

16       (d) For the purposes of this section, the term "State"  
17 does not include Puerto Rico, Guam, American Samoa, and  
18 the Virgin Islands.

19       FINANCIAL ASSISTANCE FOR DEVELOPMENT OF  
20               COMMUNITY ACTION PROGRAMS

21       SEC. 204. The Director is authorized to make grants to,  
22 or to contract with, appropriate public or private nonprofit  
23 agencies, or combinations thereof, to pay part or all of the  
24 costs of development of community action programs.

1 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRATION  
2 TION OF COMMUNITY ACTION PROGRAMS

3 SEC. 205. (a) The Director is authorized to make  
4 grants to, or to contract with, public or private nonprofit  
5 agencies, or combinations thereof, to pay part or all of the  
6 costs of community action programs which have been ap-  
7 proved by him pursuant to this part, including the cost of  
8 carrying out programs which are components of a com-  
9 munity action program and which are designed to achieve  
10 the purposes of this part. Such component programs shall  
11 be focused upon the needs of low-income individuals and  
12 families and shall provide expanded and improved services,  
13 assistance, and other activities, and facilities necessary in  
14 connection therewith. Such programs shall be conducted  
15 in those fields which fall within the purposes of this part  
16 including employment, job training and counseling, health,  
17 vocational rehabilitation, housing, home management, wel-  
18 fare, and special remedial and other noncurricular educa-  
19 tional assistance for the benefit of low-income individuals and  
20 families.

21 (b) No grant or contract authorized under this part  
22 may provide for general aid to elementary or secondary  
23 education in any school or school system.

24 (c) In determining whether to extend assistance under  
25 this section the Director shall consider among other relevant

1 factors the incidence of poverty within the community and  
2 within the areas or groups to be affected by the specific  
3 program or programs, and the extent to which the appli-  
4 cant is in a position to utilize efficiently and expeditiously  
5 the assistance for which application is made. In deter-  
6 mining the incidence of poverty the Director shall consider  
7 information available with respect to such factors as: the  
8 concentration of low-income families, particularly those  
9 with children; the extent of persistent unemployment and  
10 underemployment; the number and proportion of persons  
11 receiving cash or other assistance on a needs basis from  
12 public agencies or private organizations; the number of mi-  
13 grant or transient low-income families; school dropout rates,  
14 military service rejection rates, and other evidences of low  
15 educational attainment; the incidence of disease, disability,  
16 and infant mortality; housing conditions; adequacy of com-  
17 munity facilities and services; and the incidence of crime  
18 and juvenile delinquency.

19 (d) In extending assistance under this section the Di-  
20 rector shall give special consideration to programs which  
21 give promise of effecting a permanent increase in the capacity  
22 of individuals, groups, and communities to deal with their  
23 problems without further assistance.



## 1                                    TECHNICAL ASSISTANCE

2            SEC. 206. The Director is authorized to provide, either  
3 directly or through grants or other arrangements, (1)  
4 technical assistance to communities in developing, con-  
5 ducting, and administering community action programs, and  
6 (2) training for specialized personnel needed to develop,  
7 conduct, or administer such programs or to provide services  
8 or other assistance thereunder.

## 9                                    RESEARCH, TRAINING, AND DEMONSTRATIONS

10          SEC. 207. The Director is authorized to conduct, or to  
11 make grants to or enter into contracts with institutions of  
12 higher education or other appropriate public agencies or  
13 private nonprofit organizations for the conduct of, research,  
14 training, and demonstrations pertaining to the purposes of  
15 this part. Expenditures under this section in any fiscal year  
16 shall not exceed 15 per centum of the sums appropriated  
17 or allocated for such year to carry out the purposes of this  
18 part.

## 19                                    LIMITATIONS ON FEDERAL ASSISTANCE

20          SEC. 208. (a) Assistance pursuant to sections 204 and  
21 205 paid for the period ending two years after the date of  
22 enactment of this Act, or June 30, 1966, whichever is later,  
23 shall not exceed 90 per centum of the costs referred to in  
24 those sections, respectively, and thereafter shall not exceed  
25 50 per centum of such costs, unless the Director determines,

1 pursuant to regulations adopted and promulgated by him  
2 establishing objective criteria for such determinations, that  
3 assistance in excess of such percentages is required in  
4 furtherance of the purposes of this part. Non-Federal con-  
5 tributions may be in cash or in kind, fairly evaluated,  
6 including but not limited to plant, equipment, and services.

7 (b) The expenditures or contributions made from non-  
8 Federal sources for a community action program or  
9 component thereof shall be in addition to the aggregate  
10 expenditures or contributions from non-Federal sources  
11 which were being made for similar purposes prior to the  
12 extension of Federal assistance.

13 PARTICIPATION OF STATE AGENCIES

14 SEC. 209. (a) The Director shall establish procedures  
15 which will facilitate effective participation of the States in  
16 community action programs. Such procedures shall include  
17 provision for the referral of applications for assistance under  
18 this part to the Governor of each State affected, or his  
19 designee, for such comments as he may deem appropriate.

20 (b) The Director is authorized to make grants to, or  
21 to contract with, appropriate State agencies for the payment  
22 of the expenses of such agencies in providing technical assist-  
23 ance to communities in developing, conducting, and admin-  
24 istering community action programs.

## 1                   EQUITABLE DISTRIBUTION OF ASSISTANCE

2           SEC. 210. The Director shall establish criteria designed  
3 to achieve an equitable distribution of assistance under this  
4 part within the States between urban and rural areas. In  
5 developing such criteria, he shall consider the relative num-  
6 bers in the States or areas therein of: (1) low-income  
7 families, particularly those with children; (2) unemployed  
8 persons; (3) persons receiving cash or other assistance on  
9 a needs basis from public agencies or private organizations;  
10 (4) school dropouts; (5) adults with less than an eighth-  
11 grade education; and (6) persons rejected for military  
12 service.

## 13                   PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

14           SEC. 211. In determining whether to extend assistance  
15 under any other title of this Act, the Director shall, to the  
16 extent feasible, give preference to programs and projects  
17 which are components of a community action program ap-  
18 proved pursuant to this part.

## 19                   PART B—ADULT BASIC EDUCATION PROGRAMS

## 20                   DECLARATION OF PURPOSE

21           SEC. 212. It is the purpose of this part to initiate pro-  
22 grams of instruction for adults whose inability to read and  
23 write the English language constitutes a substantial impair-  
24 ment of their ability to get or retain employment commen-  
25 surate with their real ability, so as to help eliminate such in-



1 ability and raise the level of education of such adults with  
2 a view to making them less likely to become dependent on  
3 others, improving their ability to benefit from occupational  
4 training and otherwise increasing their opportunities for more  
5 productive and profitable employment, and making them bet-  
6 ter able to meet their adult responsibilities.

#### 7 GRANTS TO STATES

8 SEC. 213. (a) From the sums appropriated to carry out  
9 this title, the Director shall make grants to States which have  
10 State plans approved by him under this section.

11 (b) Grants under subsection (a) may be used, in ac-  
12 cordance with regulations of the Director, to—

13 (1) assist in establishment of pilot projects by local  
14 educational agencies, relating to instruction in public  
15 schools, or other facilities used for the purpose by such  
16 agencies, of adults described in section 211, to (A) dem-  
17 onstrate, test, or develop modifications, or adaptations  
18 in the light of local needs, of special materials or meth-  
19 ods for instruction of such adults, (B) stimulate the  
20 development of local educational agency programs for  
21 instruction of such adults in such schools or other facili-  
22 ties, and (C) acquire additional information concerning  
23 the materials or methods needed for an effective program  
24 for raising adult basic educational skills;

25 (2) assist in meeting the cost of local educational

1 agency programs for instruction of such adults in such  
2 schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

## 6 STATE PLANS

7 SEC. 214. (a) The Director shall approve for purposes  
8 of this part the plan of a State which—

9                   (1) provides for administration thereof by the State  
10           educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies) ;

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health informa-

tion and services for adults described in section 211 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 212 (b) , of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of adults described in section 211.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### ALLOTMENTS

SEC. 215. (a) From the sums allocated for grants to States under section 212 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a



1 fiscal year shall be allotted by the Director on the basis  
2 of the relative number of adults in each State who have com-  
3 pleted not more than five grades of school or have not  
4 achieved an equivalent level of education, as determined by  
5 the Director on the basis of the best and most recent infor-  
6 mation available to him, including any relevant data fur-  
7 nished to him by the Department of Commerce. The amount  
8 allotted to any State under the preceding sentence for any  
9 fiscal year which is less than \$50,000 shall be increased to  
10 that amount, the total thereby required being derived by  
11 proportionately reducing the amount allotted to each of the  
12 remaining States under the preceding sentence, but with  
13 such adjustments as may be necessary to prevent the allot-  
14 ment of any of such remaining States from being thereby  
15 reduced to less than \$50,000. For the purposes of this  
16 subsection, the term "State" shall not include Puerto Rico,  
17 Guam, American Samoa, and the Virgin Islands.

18 (b) The portion of any State's allotment under sub-  
19 section (a) for a fiscal year which the Director determines  
20 will not be required, for the period such allotment is avail-  
21 able, for carrying out the State plan (if any) approved under  
22 this part shall be available for reallocation from time to time,  
23 on such dates during such period as the Director may fix, to  
24 other States in proportion to the original allotments to such  
25 States under subsection (a) for such year, but with such

1 proportionate amount for any of such other States being  
2 reduced to the extent it exceeds the sum which the Director  
3 estimates such State needs and will be able to use for such  
4 period for carrying out its State plan approved under this  
5 part; and the total of such reductions shall be similarly  
6 reallocated among the States whose proportionate amounts  
7 are not so reduced. Any amount reallocated to a State under  
8 this subsection during a year shall be deemed part of its  
9 allotment under subsection (a) for such year.

10 (c) The allotment of any State under subsection (a)  
11 for the fiscal year ending June 30, 1965, shall, except to the  
12 extent reallocated under subsection (b), remain available  
13 until June 30, 1966, for obligation by such State for carry-  
14 ing out its State plan approved under this part.

#### 15 PAYMENTS

16 SEC. 216. (a) From a State's allotment available for  
17 the purpose, the Federal share of expenditures, under its  
18 State plan, for the purposes set forth in section 212 (b) shall  
19 be paid to such State. Such payments shall be made in  
20 advance on the basis of estimates by the Director; and may  
21 be made in such installments as the Director may determine,  
22 after making appropriate adjustments to take account of  
23 previously made overpayments or underpayments; except  
24 that no such payments shall be made for any fiscal year un-

1 less the Director finds that the amount available for expendi-  
2 tures for adult basic educational programs and services from  
3 State sources for such year will be not less than the amount  
4 expended for such purposes from such sources during the  
5 preceding fiscal year.

6 (b) For the fiscal year ending June 30, 1965, and the  
7 fiscal year ending June 30, 1966, the Federal share for each  
8 State shall be 90 per centum. For the succeeding fiscal year  
9 the Federal share for any State shall be 50 per centum.

10 OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL

11 REVIEW

12 SEC. 217. (a) Whenever the Director, after reasonable  
13 notice and opportunity for hearing to the State educational  
14 agency administering a State plan approved under this part,  
15 finds that—

16 (1) the State plan has been so changed that it no  
17 longer complies with the provisions of section 213, or

18 (2) in the administration of the plan there is a  
19 failure to comply substantially with any such provision,  
20 the Director shall notify such State agency that no further  
21 payments will be made to the State under this part (or in  
22 his discretion, that further payments to the State will be  
23 limited to programs under or portions of the State plan not



1 affected by such failure), until he is satisfied that there  
2 will no longer be any failure to comply. Until he is so  
3 satisfied, no further payments may be made to such State  
4 under this part (or payments shall be limited to programs  
5 under or portions of the State plan not affected by such  
6 failure).

7 (b) A State educational agency dissatisfied with a final  
8 action of the Director under section 213 or subsection (a)  
9 of this section may appeal to the United States court of  
10 appeals for the circuit in which the State is located, by  
11 filing a petition with such court within sixty days after such  
12 final action. A copy of the petition shall be forthwith trans-  
13 mitted by the clerk of the court to the Director, or any officer  
14 designated by him for that purpose. The Director thereupon  
15 shall file in the court the record of the proceedings on which  
16 he based his action, as provided in section 2112 of title 28,  
17 United States Code. Upon the filing of such petition, the  
18 court shall have jurisdiction to affirm the action of the  
19 Director or to set it aside, in whole or in part, temporarily  
20 or permanently, but until the filing of the record, the  
21 Director may modify or set aside his order. The findings  
22 of the Director as to the facts, if supported by substantial  
23 evidence, shall be conclusive, but the court, for good cause

1 shown, may remand the case to the Director to take further  
2 evidence, and the Director may thereupon make new or  
3 modified findings of fact and may modify his previous action,  
4 and shall file in the court the record of the further proceed-  
5 ings. Such new or modified findings of fact shall likewise  
6 be conclusive if supported by substantial evidence. The  
7 judgment of the court affirming or setting aside, in whole or  
8 in part, any action of the Director shall be final, subject to  
9 review by the Supreme Court of the United States upon  
10 certiorari or certification as provided in section 1254 of title  
11 28, United States Code. The commencement of proceeding  
12 under this subsection shall not, unless so specifically ordered  
13 by the court, operate as a stay of the Director's action.

14 MISCELLANEOUS

15 SEC. 218. For purposes of this part—

16 (1) the term “adult” means any individual who  
17 has attained the age of twenty-two;

18 (2) the term “State educational agency” means  
19 the State board of education or other agency or officer  
20 primarily responsible for the State supervision of public  
21 elementary and secondary schools, or, if different, the  
22 agency or officer primarily responsible for supervision  
23 of adult basic education in public schools, whichever  
24 may be designated by the Governor or by State law, or,

1 if there is no such agency or officer, an agency or officer  
2 designated by the Governor or by State law;

3 (3) the term "local educational agency" means a  
4 board of education or other legally constituted local  
5 school authority having administrative control and di-  
6 rection of public elementary or secondary schools in a  
7 city, county, township, school district, or political sub-  
8 division in a State, except that if there is a separate  
9 board or other legally constituted local authority having  
10 administrative control and direction of adult basic edu-  
11 cation in public schools therein, it means such other  
12 board or authority.

### 13 PART C—AUTHORIZATION OF APPROPRIATIONS

14 SEC. 221. The Director shall carry out the programs  
15 provided for in this title during the fiscal year ending June  
16 30, 1965, and the two succeeding fiscal years. For the  
17 purpose of carrying out this title, there are hereby author-  
18 ized to be appropriated the sum of \$340,000,000 for the  
19 fiscal year ending June 30, 1965; and for the fiscal year  
20 ending June 30, 1966, and the fiscal year ending June 30,  
21 1967, such sums as may be appropriated as the Congress  
22 may hereafter authorize by law.



1     TITLE III—SPECIAL PROGRAMS TO COMBAT  
2                     POVERTY IN RURAL AREAS

3                             STATEMENT OF PURPOSE

4         SEC. 301. It is the purpose of this title to meet some  
5 of the special problems of rural poverty and thereby to  
6 raise and maintain the income and living standards of low-  
7 income rural families and migrant agricultural employees  
8 and their families.

9         PART A—AUTHORITY TO MAKE GRANTS AND LOANS

10        SEC. 302. (a) The Director is authorized to make—

11               (1) grants of not to exceed \$1,500 to low-income  
12 rural families where, in the judgment of the Director,  
13 such grants have a reasonable possibility of effecting  
14 a permanent increase in the income of such families by  
15 assisting or permitting them to—

16               (A) acquire or improve real estate or reduce  
17 encumbrances or erect improvements thereon,

18               (B) operate or improve the operation of farms  
19 not larger than family sized, including but not  
20 limited to the purchase of feed, seed, fertilizer,  
21 livestock, poultry, and equipment,

22               (C) participate in cooperative associations, or

23               (D) finance nonagricultural enterprises which  
24 will enable such families to supplement their in-  
25 come; and

(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, for the purpose set forth in subparagraph (a) (1) (D) of this section.

(b) Grants under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs: *Provided, however,* That nothing herein shall be construed to prevent the making of grants where appropriate in combination with or as supplements to loans made under this program or other Federal programs.

#### FAMILY FARM DEVELOPMENT CORPORATIONS

SEC. 303. (a) The Director is authorized to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations having as their objective the improvement of the productivity and income of low-income farmers. Such corporations shall be eligible for assistance under this section if they are organized for the purpose of and have the power to acquire real property or any interest therein in rural areas, to develop or reconstitute such real property into units not larger than family farms, including necessary fences, farm buildings, land and water development, and related facilities, and to sell the farms so developed or reconstituted to low-income farm

1 families at prices equal to their appraised value when used  
2 for agricultural purposes and in a manner that the Director  
3 determines will further the purposes of this title: *Provided,*  
4 *however,* That such sales shall be subject to the condition  
5 that, for twenty years from the date of sale by the corpora-  
6 tion, upon any resale of the farm, the resale proceeds in  
7 excess of such appraised value up to the corporation's invest-  
8 ment in the property (less the then value as determined by  
9 the corporation of any improvements placed on the farm by  
10 the purchaser from the corporation or his heirs, successors,  
11 or assigns), shall be payable to the corporation; and there  
12 is hereby created a first lien on such property running to the  
13 corporation and to the United States to secure the payment  
14 of such amounts.

15 (b) The Director may prescribe such rules and regula-  
16 tions regarding the organization, financial resources, opera-  
17 tions, and activities of such corporations as he deems appro-  
18 priate.

19 (c) The Director is authorized to purchase the obliga-  
20 tions of, or make loans to, such corporations upon such terms  
21 and conditions as he may determine subject to the limitations  
22 of sections 305 and 306.

23 (d) The Director is authorized to make grants to such  
24 corporations in amounts sufficient to make up the deficiency  
25 between the cost of the farms developed or reconstituted by



1 them and the net proceeds received from the sale of such  
2 farms at the prices specified in subsection (a).

3 COOPERATIVE ASSOCIATIONS

4 SEC. 304. The Director is authorized to make loans to  
5 local cooperative associations furnishing essential processing,  
6 purchasing, or marketing services, supplies, or facilities pre-  
7 dominantly to low-income rural families.

8 LIMITATIONS ON ASSISTANCE

9 SEC. 305. No financial or other assistance shall be pro-  
10 vided under this part unless the Director determines that—

11 (a) the providing of such assistance will materially  
12 further the purposes of this part, and

13 (b) in the case of assistance provided pursuant to  
14 sections 303 and 304, the applicant is fulfilling or will  
15 fulfill a need for services, facilities, or activities which is  
16 not otherwise being met.

17 LOAN TERMS AND CONDITIONS

18 SEC. 306. Loans made pursuant to sections 302, 303,  
19 and 304 (including obligations purchased pursuant to sec-  
20 tion 303) shall have such terms and conditions as the Di-  
21 rector shall determine, subject to the following limitations:

22 (a) there is reasonable assurance of repayment  
23 of the loan;

24 (b) the credit is not otherwise available on reason-

1       able terms from private sources or other Federal, State,  
2       or local programs;

3           (c) the amount of the loan, together with other  
4       funds available, is adequate to assure completion of the  
5       project or achievement of the purposes for which the  
6       loan is made;

7           (d) the loan bears interest at a rate not less than  
8       (1) a rate determined by the Secretary of the Treasury,  
9       taking into consideration the average market yield on  
10      outstanding Treasury obligations of comparable maturity,  
11      plus (2) such additional charge, if any, toward covering  
12      other costs of the program as the Director may deter-  
13      mine to be consistent with its purposes;

14          (e) with respect to loans made pursuant to sections  
15      303 and 304, the loan is repayable within not more than  
16      thirty years; and

17          (f) no financial or other assistance shall be pro-  
18      vided under this part to or in connection with any corpo-  
19      ration or cooperative organization for the production of  
20      agricultural commodities or for manufacturing purposes.

21   PART B—ASSISTANCE FOR MIGRANT AGRICULTURAL EM-  
22                                    PLOYEES AND THEIR FAMILIES

23       SEC. 311. The Director shall develop and implement  
24      as soon as practicable a program to assist the States, political  
25      subdivisions of States, public and nonprofit agencies, institu-

1 tions, organizations, farm associations, or individuals in es-  
2 tablishing and operating programs of assistance for migrant  
3 agricultural employees and their families which programs  
4 shall be limited to housing, sanitation, education, and day  
5 care of children. Institutions, organizations, farm associa-  
6 tions, or individuals shall be limited to direct loans.

7       PART C—AUTHORIZATION OF APPROPRIATIONS

8       SEC. 321. The Director shall carry out the programs  
9 provided for in this title during the fiscal year ending June  
10 30, 1965, and the two succeeding fiscal years. For the pur-  
11 pose of carrying out this title, there is hereby authorized to  
12 be appropriated the sum of \$50,000,000 for the fiscal year  
13 ending June 30, 1965; and for the fiscal year ending June  
14 30, 1966, and the fiscal year ending June 30, 1967, such  
15 sums may be appropriated as the Congress may hereafter  
16 authorize by law. Not to exceed \$15,000,000 of the funds  
17 appropriated under this Act for the fiscal year ending June  
18 30, 1965, may be utilized for the purposes of part B of  
19 this title.

20       TITLE IV—EMPLOYMENT AND INVESTMENT  
21                               INCENTIVES

22                               STATEMENT OF PURPOSE

23       SEC. 401. It is the purpose of this title to assist in the  
24 establishment, preservation, and strengthening of small busi-  
25 ness concerns and improve the managerial skills employed



1 in such enterprises; and to mobilize for these objectives  
2 private as well as public managerial skills and resources.

3 LOANS, PARTICIPATIONS, AND GUARANTIES

4 SEC. 402. The Director is authorized to make, partici-  
5 pate (on an immediate basis) in, or guarantee loans, repay-  
6 able in not more than fifteen years, to any small business  
7 concern (as defined in section 3 of the Small Business Act  
8 (15 U.S.C. 632) and regulations issued thereunder), or to  
9 any qualified person seeking to establish such a concern,  
10 when he determines that such loans will assist in carrying  
11 out the purposes of this title, with particular emphasis on em-  
12 ployment of the long-term unemployed: *Provided, however,*  
13 That no such loans shall be made, participated in, or guar-  
14 anteed if the total of such Federal assistance to a single bor-  
15 rower outstanding at any one time would exceed \$15,000.  
16 The Director may defer payments on the principal of such  
17 loans for a grace period and use such other methods as he  
18 deems necessary and appropriate to assure the successful  
19 establishment and operation of such concern. The Director  
20 may, in his discretion, as a condition of such financial assist-  
21 ance, require that the borrower take steps to improve his  
22 management skills by participating in a management train-  
23 ing program approved by the Director. The Director shall  
24 encourage, as far as possible, the participation of the private

1 business community in the program of assistance to such  
2 concerns.

3 COORDINATION WITH COMMUNITY ACTION PROGRAMS

4 SEC. 403. No financial assistance shall be provided under  
5 section 402 in any community for which the Director has  
6 approved a community action program pursuant to title II  
7 of this Act unless such financial assistance is determined by  
8 him to be consistent with such program.

9 FINANCING UNDER SMALL BUSINESS ACT

10 SEC. 404. Such lending and guaranty functions under  
11 this part as may be delegated to the Small Business Adminis-  
12 tration may be financed with funds appropriated to the  
13 revolving fund established by section 4(c) of the Small  
14 Business Act (15 U.S.C. 633 (c) ) for the purposes of sec-  
15 tions 7 (a) , 7 (b) , and 8 (a) of that Act (15 U.S.C. 636 (a) ,  
16 636 (b) , 637 (a) ) .

17 LOAN TERMS AND CONDITIONS

18 SEC. 405. Loans made pursuant to section 402 (includ-  
19 ing immediate participations in and guaranties of such loans)  
20 shall have such terms and conditions as the Director shall  
21 determine, subject to the following limitations—

22 (a) there is reasonable assurance of repayment of  
23 the loan;

1           (b) the financial assistance is not otherwise avail-  
2           able on reasonable terms from private sources or other  
3           Federal, State, or local programs;

4           (c) the amount of the loan, together with other  
5           funds available, is adequate to assure completion of the  
6           project or achievement of the purposes for which the  
7           loan is made;

8           (d) the loan bears interest at a rate not less than  
9           (1) a rate determined by the Secretary of the Treasury,  
10          taking into consideration the average market yield on  
11          outstanding Treasury obligations of comparable maturity,  
12          plus (2) such additional charge, if any, toward covering  
13          other costs of the program as the Director may determine  
14          to be consistent with its purposes: *Provided, however,*  
15          That the rate of interest charged on loans made in re-  
16          development areas designated under the Area Redevelop-  
17          ment Act (42 U.S.C. 2501 et seq.) shall not exceed  
18          the rate currently applicable to new loans made under  
19          section 6 of that Act (42 U.S.C. 2505) ; and

20          (e) fees not in excess of amounts necessary to cover  
21          administrative expenses and probable losses may be  
22          required on loan guaranties.

23                                   DURATION OF PROGRAM

24          SEC. 406. The Director shall carry out the programs  
25          provided for in this title during the fiscal year ending June  
26          30, 1965, and the two succeeding fiscal years.



## 1 TITLE V—WORK EXPERIENCE PROGRAMS

## 2 STATEMENT OF PURPOSE

3 SEC. 501. It is the purpose of this title to expand the  
4 opportunities for constructive work experience and other  
5 needed training available to persons who are unable to sup-  
6 port or care for themselves or their families. In carrying  
7 out this purpose, the Director shall make maximum use of the  
8 programs available under the Manpower Development and  
9 Training Act of 1963 and Vocational Education Act of 1963.

## 10 PAYMENTS FOR EXPERIMENTAL, PILOT, AND

## 11 DEMONSTRATION PROJECTS

12 SEC. 502. In order to stimulate the adoption [by  
13 States] of programs designed to help unemployed fathers and  
14 other needy persons to secure and retain employment or to  
15 attain or retain capability for self-support or personal inde-  
16 pendence, the Director is authorized to transfer funds appro-  
17 priated or allocated to carry out the purposes of this title to  
18 the Secretary of Health, Education, and Welfare to enable  
19 him to make payments for experimental, pilot, or demonstra-  
20 tion projects under section 1115 of the Social Security Act  
21 (42 U.S.C. 1315), subject to the limitations contained in  
22 section 409 (a) (1) to (6), inclusive, of such Act (42  
23 U.S.C. 609 (a) (1)–(6)), in addition to the sums other-  
24 wise available pursuant thereto. The costs of such proj-  
25 ects to the United States for the fiscal year ending June 30,  
26 1965, shall, notwithstanding the provisions of such Act, be

1 met entirely from funds appropriated or allocated to carry  
2 out the purposes of this title.

3 AUTHORIZATION OF APPROPRIATIONS

4 SEC. 503. The Director shall carry out the programs  
5 provided for in this title during the fiscal year ending June  
6 30, 1965, and the two succeeding fiscal years. For the pur-  
7 pose of carrying out this title, there is hereby authorized to  
8 be appropriated the sum of \$150,000,000 for the fiscal year  
9 ending June 30, 1964; and for the fiscal year ending June  
10 30, 1965, and the fiscal year ending June 30, 1966, such  
11 sums may be appropriated as the Congress may hereafter  
12 authorize by law.

13 TITLE VI—ADMINISTRATION AND  
14 COORDINATION

15 PART A—ADMINISTRATION

16 OFFICE OF ECONOMIC OPPORTUNITY

17 SEC. 601. (a) There is hereby established in the Ex-  
18 ecutive Office of the President the Office of Economic Oppor-  
19 tunity. The Office shall be headed by a Director who shall  
20 be appointed by the President, by and with the advice and  
21 consent of the Senate. There shall also be in the Office four  
22 Deputy Directors who shall be appointed by the President,  
23 by and with the advice and consent of the Senate. The  
24 Deputy Directors shall perform such functions as the Direc-  
25 tor may from time to time prescribe.

26 (b) Notwithstanding the provisions of section 5 (b) of

1 the Reorganization Act of 1949 (5 U.S.C. 133z-3 (b) ), at  
2 any time after one year from the date of enactment hereof  
3 the President may, by complying with the procedures estab-  
4 lished by that Act, provide for the transfer of the Office from  
5 the Executive Office of the President and for its establish-  
6 ment elsewhere in the executive branch as he deems  
7 appropriate.

8 (c) Section 103 (a) of the Federal Executive Pay Act  
9 of 1956 (5 U.S.C. 2202 (a) ) is amended by adding the  
10 following clause thereto:

11 “(6) Director of the Office of Economic Oppor-  
12 tunity.”

13 (d) Section 105 of the Federal Executive Pay Act of  
14 1956 (5 U.S.C. 2204) is amended by adding the following  
15 clause thereto:

16 “(32) Deputy Director of the Office of Economic  
17 Opportunity.”

18 (e) Section 106 (a) of the Federal Executive Pay Act  
19 of 1956 (5 U.S.C. 2205 (a) ) is amended by adding the  
20 following clause thereto:

21 “(52) Deputy Directors of the Office of Economic  
22 Opportunity (3).”

23 AUTHORITY OF DIRECTOR

24 SEC. 602. In addition to the authority conferred upon  
25 him by other sections of this Act, the Director is authorized,  
26 in carrying out his functions under this Act, to—



1           (a) appoint in accordance with the civil service  
2 laws such personnel as may be necessary to enable the  
3 Office to carry out its functions, and, except as otherwise  
4 provided herein, fix their compensation in accordance  
5 with the Classification Act of 1949 (5 U.S.C. 1071 et  
6 seq.) ;

7           (b) employ experts and consultants or organiza-  
8 tions thereof as authorized by section 15 of the Admin-  
9 istrative Expenses Act of 1946 (5 U.S.C. 55a), com-  
10 pensate individuals so employed at rates not in excess  
11 of \$100 per diem, including travel time, and allow them,  
12 while away from their homes or regular places of busi-  
13 ness, travel expenses (including per diem in lieu of sub-  
14 sistence) as authorized by section 5 of such Act (5  
15 U.S.C. 73b-2) for persons in the Government service  
16 employed intermittently, while so employed: *Provided,*  
17 *however,* That contracts for such employment may be  
18 renewed annually;

19           (c) appoint, without regard to the civil service  
20 laws, one or more advisory committees composed of  
21 such private citizens and officials of the Federal, State,  
22 and local governments as he deems desirable to advise  
23 him with respect to his functions under this Act; and  
24 members of such committees (including the National  
25 Advisory Council established in section 605), other than  
26 those regularly employed by the Federal Government,

1 while attending meetings of such committees or other-  
2 wise serving at the request of the Director, shall be  
3 entitled to receive compensation and travel expenses  
4 as provided in subsection (b) with respect to experts  
5 and consultants;

6 (d) with the approval of the President, arrange  
7 with and reimburse the heads of other Federal agencies  
8 for the performance of any of his functions under this  
9 Act and, as necessary or appropriate, delegate any of  
10 his powers under this Act and authorize the redelega-  
11 tion thereof;

12 (e) utilize, with their consent, the services and  
13 facilities of Federal agencies without reimbursement,  
14 and, with the consent of any State or a political subdi-  
15 vision of a State, accept and utilize the services and facil-  
16 ities of the agencies of such State or subdivision without  
17 reimbursement;

18 (f) accept in the name of the Office, and employ  
19 or dispose of in furtherance of the purposes of this Act,  
20 or of any title thereof, any money or property, real,  
21 personal, or mixed, tangible or intangible, received by  
22 gift, devise, bequest, or otherwise;

23 (g) accept voluntary and uncompensated services,  
24 notwithstanding the provisions of section 3679 (b) of  
25 the Revised Statutes (31 U.S.C. 665 (b) ) ;

1           (h) allocate and expend, or transfer to other Fed-  
2           eral agencies for expenditure, funds made available  
3           under this Act as he deems necessary to carry out the  
4           provisions hereof, including (without regard to the pro-  
5           visions of section 4774 (d) of title 10, United States  
6           Code) expenditure for construction, repairs, and capital  
7           improvements;

8           (i) disseminate, without regard to the provisions of  
9           section 4154 of title 39, United States Code, data and  
10          information, in such form as he shall deem appropriate,  
11          to public agencies, private organizations, and the gen-  
12          eral public;

13          (j) adopt an official seal, which shall be judicially  
14          noticed;

15          (k) notwithstanding any other provision of law  
16          relating to the acquisition, handling, or disposal of  
17          real or personal property by the United States, deal  
18          with, complete, rent, renovate, modernize, or sell for  
19          cash or credit at his discretion any properties acquired  
20          by him in connection with loans, participations, and  
21          guaranties made by him pursuant to titles III and IV of  
22          this Act;

23          (l) collect or compromise all obligations to or held  
24          by him and all legal or equitable rights accruing to  
25          him in connection with the payment of obligations



1 until such time as such obligations may be referred to  
2 the Attorney General for suit or collection; and

3 (m) establish such policies, standards, criteria,  
4 and procedures, prescribe such rules and regulations,  
5 enter into such contracts and agreements with public  
6 agencies and private organizations and persons,  
7 make such payments (in lump sum or installments,  
8 and in advance or by way of reimbursement, and in the  
9 case of grants, with necessary adjustments on account  
10 of overpayments or underpayments), and generally per-  
11 form such functions and take such steps as he may deem  
12 to be necessary or appropriate to carry out the provi-  
13 sions of this Act.

14 VOLUNTEERS IN SERVICE TO AMERICA

15 SEC. 603. (a) The Director is authorized to recruit,  
16 select, train, and—

17 (1) upon request of State or local agencies or pri-  
18 vate nonprofit organizations, refer volunteers to perform  
19 duties in furtherance of programs combating poverty at  
20 a State or local level; and

21 (2) in cooperation with other Federal, State, or  
22 local agencies involved, assign volunteers to work (A)  
23 in meeting the health, education, welfare, or related  
24 needs of Indians living on reservations, of migratory  
25 workers and their families, or of residents of the District

1 of Columbia, the Commonwealth of Puerto Rico, Guam,  
2 American Samoa, the Virgin Islands, or the Trust Terri-  
3 tory of the Pacific Islands; (B) in the care and reha-  
4 bilitation of the mentally ill or mentally retarded under  
5 treatment at nonprofit mental health or mental retarda-  
6 tion facilities assisted in their construction or operation  
7 by Federal funds; and (C) in furtherance of programs  
8 or activities authorized or supported under title I or II  
9 of this Act.

10 (b) The referral or assignment of volunteers shall be  
11 on such terms and conditions as the Director may determine,  
12 but volunteers shall not be referred or assigned to duties or  
13 work in any State without the consent of the Governor.

14 (c) The Director is authorized to provide to all volun-  
15 teers during training and to volunteers assigned pursuant to  
16 subsection (a) (2) such stipend, not to exceed \$50 per  
17 month, such living, travel, and leave allowances, and such  
18 housing, transportation (including travel to and from the  
19 place of training), supplies, equipment, subsistence, clothing,  
20 and health and dental care as the Director may deem neces-  
21 sary or appropriate for their needs.

22 (d) Volunteers shall be deemed not to be Federal em-  
23 ployees and shall not be subject to the provisions of laws  
24 relating to Federal employment, including those relating to  
25 hours of work, rates of compensation, leave, unemployment

1 compensation, and Federal employee benefits, except that all  
2 volunteers during training and such volunteers as are as-  
3 signed pursuant to subsection (a) (2) shall be deemed Fed-  
4 eral employees to the same extent as enrollees of the Corps  
5 under section 106 (b), (c), and (d) of this Act.

6 ECONOMIC OPPORTUNITY COUNCIL

7 SEC. 604. (a) There is hereby established an Economic  
8 Opportunity Council, which shall consult with and advise the  
9 Director in carrying out his functions, including the coordina-  
10 tion of antipoverty efforts by all segments of the Federal  
11 Government.

12 (b) The Council shall include the Director, who shall  
13 be Chairman, the Secretary of Defense, the Attorney Gen-  
14 eral, the Secretaries of the Interior, Agriculture, Commerce,  
15 Labor, and Health, Education, and Welfare, the Housing  
16 and Home Finance Administrator, the Administrator of the  
17 Small Business Administration, the Chairman of the Council  
18 of Economic Advisors, the Director of Selective Service, and  
19 such other agency heads as the President may designate, or  
20 delegates thereof.

21 NATIONAL ADVISORY COUNCIL

22 SEC. 605. There is hereby established in the Office a  
23 National Advisory Council. The Council shall be composed  
24 of the Director, who shall be Chairman, and not more than  
25 fourteen additional members appointed by the President,



1 without regard to the civil service laws, who shall be repre-  
2 sentative of the public in general and appropriate fields of  
3 endeavor related to the purposes of this Act. Upon the re-  
4 quest of the Director, the Council shall review the opera-  
5 tions and activities of the Office, and shall make such recom-  
6 mendations with respect thereto as are appropriate. The  
7 Council shall meet at least once each year and at such other  
8 times as the Director may request.

9

## REVOLVING FUND

10 SEC. 606. (a) To carry out the lending and guaranty  
11 functions authorized under titles III and IV of this Act,  
12 there is authorized to be established a revolving fund. The  
13 capital of the fund shall consist of such amounts as may be  
14 advanced to it by the Director from funds appropriated pur-  
15 suant to section 307 and shall remain available until  
16 expended.

17 (b) The Director shall pay into miscellaneous receipts  
18 of the Treasury, at the close of each fiscal year, interest on  
19 the capital of the fund at a rate determined by the Secretary  
20 of the Treasury, taking into consideration the average market  
21 yield on outstanding Treasury obligations of comparable  
22 maturity during the last month of the preceding fiscal year.  
23 Interest payments may be deferred with the approval of the  
24 Secretary of the Treasury, but any interest payments so de-  
25 ferred shall themselves bear interest.

1       (c) Whenever any capital in the fund is determined by  
2 the Director to be in excess of current needs, such capital  
3 shall be credited to the appropriation from which advanced,  
4 where it shall be held for future advances.

5       (d) Receipts from any lending and guaranty operations  
6 under this Act (except operations under title IV carried on  
7 by the Small Business Administration) shall be credited to  
8 the fund. The fund shall be available for the payment of all  
9 expenditures of the Director for loans, participations, and  
10 guaranties authorized under titles III and IV of this Act.

#### 11                   LABOR STANDARDS

12       SEC. 607. All laborers and mechanics employed by con-  
13 tractors or subcontractors in the construction, alteration or  
14 repair, including painting and decorating of projects, build-  
15 ings and works which are federally assisted under this Act  
16 shall be paid wages at rates not less than those prevailing on  
17 similar construction in the locality as determined by the Sec-  
18 retary of Labor in accordance with the Davis-Bacon Act, as  
19 amended (40 U.S.C. 276a—276a-5). The Secretary of  
20 Labor shall have, with respect to such labor standards, the  
21 authority and functions set forth in Reorganization Plan  
22 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5  
23 U.S.C. 133—133z-15), and section 2 of the Act of June 13,  
24 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.  
25 276(c)).

## REPORTS

1

2       SEC. 608. Not later than one hundred and twenty days  
3 after the close of each fiscal year, the Director shall prepare  
4 and submit to the President for transmittal to the Congress  
5 a full and complete report on the activities of the Office dur-  
6 ing such year.

7

## DEFINITIONS

8       SEC. 609. As used in this Act:

9       (a) The term "State" means a State, the Common-  
10 wealth of Puerto Rico, the District of Columbia, Guam,  
11 American Samoa, or the Virgin Islands, and the term  
12 "United States", when used in a geographical sense, includes  
13 the foregoing and all other places, continental or insular,  
14 including the Trust Territory of the Pacific Islands, subject  
15 to the jurisdiction of the United States.

16       (b) The term "agency", unless the context requires  
17 otherwise, means department, agency, or other component  
18 of a Federal, State, or local governmental entity.

19       (c) The term "family" means—

20               (1) the spouse or child of an enrollee, and

21               (2) any other relative who draws substantial sup-  
22 port from the enrollee.



## 1     PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

## 2                             COORDINATION

3         SEC. 611. In order to insure that all Federal programs  
4 related to the purposes of this Act are carried out in a  
5 coordinated manner—

6             (a) the Director is authorized to call upon other  
7 Federal agencies to supply such statistical data, program  
8 reports, and other materials as he deems necessary to  
9 discharge his responsibilities under this Act, and to  
10 assist the President in coordinating the antipoverty  
11 efforts of all Federal agencies;

12            (b) Federal agencies which are engaged in admin-  
13 istering programs related to the purposes of this Act, or  
14 which otherwise perform functions relating thereto,  
15 shall—

16                 (1) cooperate with the Director in carrying  
17 out his duties and responsibilities under this Act;  
18 and

19                 (2) carry out their programs and exercise  
20 their functions in such manner as will, to the maxi-  
21 mum extent permitted by other applicable law, as-  
22 sist in carrying out the purposes of this Act; and

1           (c) the President may direct that particular pro-  
2       grams and functions, including the expenditure of funds,  
3       of the Federal agencies referred to in subsection (b)  
4       shall be carried out, to the extent not inconsistent with  
5       other applicable law, in conjunction with or in support  
6       of programs authorized under this Act.

7           (d) In order to insure that all existing Federal  
8       agencies are utilized to the maximum extent possible  
9       in carrying out the purposes of this Act, no funds appro-  
10      priated to carry out this Act shall be used to establish  
11      any new department or office when the intended func-  
12      tion is being performed by an existing department or  
13      office.

14       PREFERENCE TO COMMUNITY ACTION PROGRAMS

15       SEC. 612. To the extent feasible and consistent with the  
16      provisions of law governing any Federal program and with  
17      the purposes of this Act, the head of each Federal agency  
18      administering any Federal program is directed to give  
19      preference to any application for assistance or benefits which  
20      is made pursuant to or in connection with a community action  
21      program approved pursuant to title II of this Act.

22       INFORMATION CENTER

23       SEC. 613. In order to insure that all Federal programs  
24      related to the purposes of this Act are utilized to the maxi-  
25      mum extent possible, and to insure that information con-

cerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### FEDERAL CONTROL

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606 (a) ), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1964; and for the fiscal year ending June 30, 1965, and the



1 fiscal year ending June 30, 1966, such sums may be appro-  
2 priated as the Congress may hereafter authorize by law.

3 TITLE VII—TREATMENT OF INCOME FOR CER-  
4 TAIN PUBLIC ASSISTANCE PURPOSES

5 SEC. 701. (a) Notwithstanding the provisions of titles  
6 I, IV, X, XIV, and XVI of the Social Security Act, a State  
7 plan approved under any such title shall provide that—

8 (1) the first \$85 plus one-half of the excess over  
9 \$85 of payments made to or on behalf of any person for  
10 or with respect to any month under title I or II of this  
11 Act or any program assisted under such title shall not be  
12 regarded (A) as income or resources of such person in  
13 determining his need under such approved State plan,  
14 or (B) as income or resources of any other individual  
15 in determining the need of such other individual under  
16 such approved State plan;

17 (2) no payments made to or on behalf of any per-  
18 son for or with respect to any month under such title or  
19 any such program shall be regarded as income or re-  
20 sources of any other individual in determining the need  
21 of such other individual under such approved State plan  
22 except to the extent made available to or for the benefit  
23 of such other individual; and

24 (3) no grant made to any family under title III  
25 of this Act shall be regarded as income or resources of

1       such family in determining the need of any member  
2       thereof under such approved State plan.

3       (b) No funds to which a State is otherwise entitled  
4       under title I, IV, X, XIV, or XVI of the Social Security  
5       Act for any period before July 1, 1965, shall be withheld  
6       by reason of any action taken pursuant to a State statute  
7       which prevents such State from complying with the re-  
8       quirements of subsection (a).

88<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

H. R. 11377

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# A BILL

To mobilize the human and financial resources  
of the Nation to combat poverty in the  
United States.

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By Mr. LANDRUM

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MAY 26, 1964

Referred to the Committee on Education and Labor



# House of Representatives

## Chamber Action

**Bills Introduced:** 25 public bills, H.R. 11375-11399; 4 private bills, H.R. 11400-11403; and 3 resolutions, H.J. Res. 1036, H. Con. Res. 308, and H. Res. 736, were introduced.

Pages 11562, 11604-11605

**Bills Reported:** Reports were filed as follows:

H.R. 5886, relating to the establishment of concession policies in the areas administered by National Park Service, amended (H. Rept. 1426);

H. Res. 736, rule waiving points of order against H.R. 11369, making appropriations for military construction for the Department of Defense for fiscal year 1965 (H. Rept. 1427);

Three private bills, H.R. 7823, 8184, and 8746 (H. Repts. 1428-1430, respectively);

H.R. 11255, to validate certain payments of per diem allowances made to members of the Coast Guard (H. Rept. 1431); and

H.R. 10407, a private bill (H. Rept. 1432). Page 11604

**King of Greece:** Heard the reading of a communication from the King of Greece to the Speaker expressing his country's appreciation for the expression of condolence by the U.S. Congress on the death of King Paul, as expressed in S. Con. Res. 72, which was adopted by the House on March 10.

Page 11562

**Military Construction Appropriation:** By a record vote of 340 yeas to 5 nays the House passed without amendment H.R. 11369, making appropriations for military construction for the Department of Defense for fiscal year 1965. H. Res. 736, the rule waiving points of order against the legislation, was adopted earlier by a voice vote.

The bill provides appropriations totaling \$1,599,014,500; which amount is \$279,985,500 below the budget estimates, and \$13,134,500 above the 1964 appropriation.

Pages 11562-11578

**Debt Limit—Excise Taxes:** The Committee on Ways and Means was granted permission to file reports by Thursday, June 4, on H.R. 11375, to provide for the period ending June 30, 1965, a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, and H.R. 11376, to provide a 1-year extension of certain excise-tax rates.

Page 11578

**Lobbyists:** The compilation by the Secretary of the Senate and the Clerk of the House of all registrations and quarterly reports for the first quarter 1964 filed by persons engaged in lobbying activities, appears in this issue of the Congressional Record.

Pages 11606-11636

**Quorum Call and Record Vote:** During the proceedings of the House today one quorum call and one

record vote developed and they appear on pages 11566, 11577-11578.

**Program for Wednesday:** Adjourned at 3:30 p.m. until Wednesday, May 27, 1964, at 12 o'clock noon, when the House will consider H.R. 5130, increase in Federal Deposit and Savings Insurance (2 hours of debate); and eight bills from the Committee on Ways and Means, as follows:

H.R. 4198, free importation of instant coffee;

H.R. 9688, responsibility for placement and foster care of children;

H.R. 10463, suspension of duty on metal scrap;

H.R. 10465, personal and household effects;

H.R. 10466, assistance for returning nationals;

H.R. 10468, suspension of duty on shoe lathes;

H.R. 10473, foster care in child-care institutions; and

H.R. 10537, suspension of duty on natural graphite.

## Committee Meetings

### PESTICIDE LAWS

**Committee on Agriculture:** Held a hearing on operation of pesticide laws and regulations. Heard testimony from representatives of the Departments of Agriculture, Interior; and Health, Education, and Welfare.

### BRIEFING

**Committee on Armed Services:** Met in executive session for a briefing by Secretary of the Air Force, Eugene M. Zuckert, on South Vietnam. The committee will continue its executive session briefing Wednesday, May 27.

### DUPONT ESTATE

**Committee on Banking and Currency:** Held a hearing on H.R. 10668, to bring the Alfred I. du Pont estate under the Bank Holding Act. Heard testimony from a public witness.

### NONBANKING SERVICES—PERSONAL PROPERTY

**Committee on Banking and Currency:** Subcommittee on Bank Supervision and Insurance met in executive session to continue on H.R. 9548, to prohibit banks from performing certain nonbanking services; and H.R. 9832, to prohibit banks from engaging in the business of personal property leasing. No final action was taken.

### WAR ON POVERTY—ECONOMIC OPPORTUNITY

**Committee on Education and Labor:** Met in executive session and adopted H.R. 10440, the Economic Opportunity Act of 1964, as amended; a clean bill to be introduced. Adjourned subject to call of the Chair.

### FOREIGN AID

**Committee on Foreign Affairs:** Met in executive session on markup of H.R. 10502, the foreign aid bill. The



committee will meet in executive session on Wednesday, May 27, to report a clean bill, H.R. 11380.

#### COLLECTION PRACTICES—DEPARTMENT OF JUSTICE

*Committee on Government Operations:* Subcommittee on Legal and Monetary Affairs held a hearing on collection practices of the Department of Justice. Heard testimony from representatives of the Justice Department, District of Columbia, and General Accounting Office.

#### INDIAN AFFAIRS

*Committee on Interior and Insular Affairs:* Met in executive session and ordered reported to the full committee H.R. 6151, amended, to increase the appropriation authorization for completion of the construction of the irrigation and power systems of the Flathead Indian irrigation project, Montana; H.R. 10672, to provide for the disposition of judgment funds now on deposit to the credit of the Pawnee Tribe of Oklahoma; H.R. 10973, amended, to provide for the disposition of judgment funds on deposit to the credit of the Lower Pend D'Oreille or Kalispel Tribe of Indians; H.R. 11118, to provide for the disposition of funds to the credit of the Tilamook Indians; H.R. 979 (S. 136), to place in trust status certain lands on the Rosebud Sioux Reservation in South Dakota; H.R. 8334, amended, to authorize the exchange of lands within the Salt River-Pima-Maricopa Indian Reservation; and H.R. 7215, amended, to authorize the Secretary of the Interior to convey certain lands to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma and to convey certain other lands to the United States in trust for the Absentee-Shawnee Tribe of Indians.

Also considered H.R. 2120, and related bills, to authorize a per capita distribution of \$350 from funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation. No final action was taken.

#### PUBLIC HEALTH—OPTOMETRY

*Committee on Interstate and Foreign Commerce:* Subcommittee on Public Health and Safety held a hearing on H.R. 8546, and other identical bills, regarding loans to students of optometry. Heard testimony from Representatives Patman, Fuqua, Pickle, Thomson of Wisconsin, and Garmatz; Dr. Paul Q. Peterson, Associate Chief for Operations, Bureau of State Services, Public Health Service; and public witnesses.

#### FAA FLIGHT SERVICE STATIONS

*Committee on Interstate and Foreign Commerce:* Subcommittee on Transportation and Aeronautics continued hearings on FAA proposed closing of flight service stations. Heard testimony from public witnesses.

#### PRIVATE CLAIMS

*Committee on the Judiciary:* Subcommittee No. 2 met in executive session and took action on several private claim bills.

#### ALLOWANCES—COAST GUARD

*Committee on the Judiciary:* Met in executive session and ordered reported favorably to the House the following bills:

H.R. 11255, to validate certain payments of per diem allowances to members of the Coast Guard; one private immigration bill; and several private claim bills.

#### ANADROMOUS FISH

*Committee on Merchant Marine and Fisheries:* Subcommittee on Fisheries and Wildlife Conservation held a hearing on H.R. 2392, and similar bills, to authorize the Secretary of the Interior to initiate a program for the conservation, development, and enhancement of the Nation's anadromous fish in cooperation with the several States. Heard testimony from Representative Johnson and public witnesses.

#### APPALACHIAN REGIONAL DEVELOPMENT

*Committee on Public Works:* Ad Hoc Committee on Appalachian Regional Development continued hearings on H.R. 11065 and 11066, and related bills, regarding the Appalachian Regional Development Act of 1964. Heard testimony from Gov. William W. Barron, West Virginia; a representative of Gov. James Rhodes, Ohio; a representative of Gov. Carl Sanders, Georgia; and a representative of Gov. Albertis Harrison, Virginia.

#### MILITARY CONSTRUCTION

*Committee on Rules:* Granted a rule, waiving points of order, on H.R. 11369, military construction appropriations bill for fiscal year 1965.

Testimony was given on a request for a rule by Representative Sheppard.

#### LAND-WATER CONSERVATION

*Committee on Rules:* Hearings not completed on H.R. 3846, to establish a land and water conservation fund. No final action was taken.

The committee heard testimony from Representatives Fallon and Hébert.

#### FOOD MARKETING

*Committee on Rules:* Granted an open rule, with 2 hours of debate, on H.J. Res. 977, to establish a National Commission on Food Marketing.

#### RESEARCH AND DEVELOPMENT

*Committee on Science and Astronautics:* Subcommittee on Science, Research, and Development held a hearing on geographical distribution and indirect costs of Fed-







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued June 4, 1964  
For actions of June 3, 1964  
88th-2nd; No. 110

## CONTENTS

|                           |                                      |                         |
|---------------------------|--------------------------------------|-------------------------|
| Air pollution.....16      | Consumers.....26                     | Food marketing.....27   |
| Alaska relief.....19      | Cotton.....7                         | Foreign aid.....4       |
| Appalachia.....25         | Defense production.....5             | Foreign trade.....21,24 |
| Appropriations.....1      | Deficiency appro-<br>priations.....1 | Forest roads.....3      |
| Area redevelopment.....15 | Expenditures.....22                  | Grants-in-aid.....9     |
| Cattle prices.....20      | Farmers.....13                       | Lands.....18            |
| Civil rights.....11       |                                      | Personnel.....22        |
|                           |                                      | Poverty.....2,23        |
|                           |                                      | Public Law 480.....28   |
|                           |                                      | Public works.....17     |
|                           |                                      | Reclamation.....6       |
|                           |                                      | Recreation.....12       |
|                           |                                      | Roads.....3             |
|                           |                                      | Shipping rates.....14   |
|                           |                                      | Stockpiles.....10       |
|                           |                                      | Surplus food.....28     |
|                           |                                      | Time standards.....30   |
|                           |                                      | Tobacco.....8           |
|                           |                                      | Water resources.....29  |

HIGHLIGHTS: House committee reported poverty bill. House received conference report on deficiency appropriation bill. Several Reps. debated merits of poverty bill, including grants to low-income farmers. House Rules Committee cleared foreign aid authorization bill. House passed road authorization bill. Rep. Morris urged exports of additional long staple cotton. Senate committee reported bill for periodic congressional review of Federal grants-in-aid.

## HOUSE

1. DEFICIENCY APPROPRIATION BILL, 1964. Received the conference report on this bill, H. R. 11201 (H. Rept. 1457). Attached to this Digest is a table showing the action of the conferees on items for this Department. (pp. 12065-6). Rep. Boggs announced that the conference report will be taken up today, June 4 (p. 12094).
2. POVERTY. The Education and Labor Committee reported without amendment H. R. 11377, the poverty bill (H. Rept. 1458). p. 12108  
Several Representatives debated the merits of bill (pp. 12089-94, 12094-105). Rep. Quie criticized provisions of the bill providing for grants of up to \$1,500 to low-income farmers (pp. 12102-3).  
Reps. Ashbrook and Schenck inserted items critical of the proposed poverty program. pp. 12087-9, 12107

3. ROADS. Passed as reported H. R. 10503, the road authorization bill, which includes authorizations of \$33 million for forest highways for each of the fiscal years 1966 and 1967, and \$85 million for forest development roads and trails for each of the fiscal years 1966 and 1967 (pp. 12066-8, 12069-77). Rejected an amendment by Rep. Ryan to require public hearings prior to any land acquisitions for highway purposes (pp. 12075-6)
  4. FOREIGN AID. The Rules Committee reported a resolution for consideration of H. R. 11380, the foreign aid authorization bill. p. 12108
  5. DEFENSE PRODUCTION. The Banking and Currency Committee reported without amendment H. R. 10000, to extend the Defense Production Act to June 30, 1966 (H. Rept. 1456). p. 12108
  6. RECLAMATION. The Subcommittee on Irrigation and Reclamation of the Interior and Insular Affairs Committee voted to report to the full committee with amendments H. R. 1003, to make certain provisions in connection with the construction of the Garrison diversion unit, Missouri River Basin project, S. J. Res. 49, to authorize the Secretary of the Interior to carry out a program for control of phreatophytes along the Pecos River channel, N. Mex. and Texas, and H. R. 3672, to provide for construction of the Savery-Pot Hook, Bostwick Park, and Fruitland Mesa participating reclamation projects under the Colorado River Storage Project Act. p. D436  
The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment H. R. 6151, to increase the appropriation authorization for completion of construction of the irrigation and power systems of the Flathead Indian Irrigation Project, Mont. p. D436
  7. COTTON. Rep. Morris reviewed the world supply situation on extra long staple cotton, stated that this country has a surplus of such cotton for the first time in years as contrasted with a scarcity outside the U. S., and urged this Department to institute a program for additional exports of extra long staple cotton. pp. 12080-1
  8. TOBACCO. The "Daily Digest" states that the Interstate and Foreign Commerce Committee "announced that public hearings will be conducted on June 23 through 26 on 10 bills pending before the committee to determine whether any action by Congress should be taken on the subject of smoking and public health." p. D437
- SENATE
9. GRANTS-IN-AID. The Government Operations Committee reported with amendments S. 2114, to provide for periodic congressional review of Federal grants-in-aid to States and local governments (S. Rept. 1056). p. 1211
  10. STOCKPILES. Sen. Byrd, Va., submitted a report on Federal stockpile inventories as of March 1964, including CCC commodity inventories. pp. 12112-2-
  11. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 12139, 12145-56, 12168-75, 12189-96
  12. RECREATION. Sen. Muskie was added as a cosponsor of S. 2862, to facilitate the management, use, and public benefits from the Appalachian Trail. pp. 12124-5



## ECONOMIC OPPORTUNITY ACT OF 1964

JUNE 3, 1964.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. POWELL, from the Committee on Education and Labor, submitted the following

### REPORT

[To accompany H.R. 11377]

The Committee on Education and Labor, to whom was referred the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE LEGISLATION

The United States is the first major nation in history which can look forward to victory over poverty. Our wealth, our income, our technical know-how, and our productive capacity put this goal within our grasp. As a nation, we clearly have the capacity to achieve this victory; what we need now is a commitment on the part of the people, the communities, private organizations, and all levels of government. The purpose of this legislation is, first of all, to express this commitment, to state explicitly that the Congress and the Federal Government are committing this Nation to a war designed to eliminate poverty. This legislation also proposes programs which, during the first year of this war, will—

- expand opportunities for youth to gain the education, skills, and experience they must have to become full participants in our society and stable parents in years to come;

- stimulate our communities to initiate local action programs to attack the roots of poverty;

- help rural families now destitute to increase their income through a program of small capital grants and loans;

- provide a sounder base for the rehabilitation of poor areas of our great cities by deserving and expanding small business activities;

provide special programs for undereducated adults and migratory agricultural workers;

encourage more States to use public assistance as an instrument for helping families lift themselves out of poverty;

recruit and train volunteers who will help carry out the war on poverty.

The visible cost of not adopting this program, in terms of direct public assistance payments alone, is \$4 billion per year. In addition to these direct payments, the indirect costs of poverty to this country which show up in juvenile delinquency, crime, health hazards, and higher police and fire protection costs, total billions more; and, as Walter Reuther pointed out in his testimony, unemployment and underemployment of people denies to this country the opportunity of accumulating greater wealth. This opportunity, once missed, is lost forever. These are the costs with which our Nation is burdened because 35 million Americans live in poverty.

The bill, H.R. 11377, as reported by the committee, would authorize programs to attack the causes of poverty—lack of education, poor health, absence of a marketable skill, and unstable family life. As Dr. Walter Heller pointed out in his statement to the committee, a large percentage of poor families have at least one income earner; 23 percent have two or more income earners. This means that even with full employment there would be poor people.

The philosophy behind the Economic Opportunity Act of 1964 is not that existing wealth should be redistributed but that poor people can and must be provided with opportunities to earn a decent living and maintain their families on a comfortable living standard. Poor people in the United States are now often set apart from society. They live off our main streets and highways.

This act will help to provide the poor people of our Nation with the human skills and resources with which they, themselves, will earn their rightful place in society. This bill adopts a coordinated approach because poverty has multiple causes. For instance, title I of the bill concentrates on problems of youth, and especially on the problem of the youth trying to get the skills with which he can find a decent job. Title II concentrates on poor communities and will stimulate and help them to undertake, through the efforts of local government and organizations and local people, concrete programs to attack local causes of poverty, whether they be inadequate education, poor health care, dilapidated housing, or insufficient family services. Title III of the bill concentrates on rural families, where the most destitute of the Nation's poor are found. Because the rural poor often lack any opportunity for making a living, however modest, anywhere but where they now live, this act would provide small capital grants for the most destitute which would enable them to raise their living standard up to the point where they could become eligible for credit. Title IV concentrates on small business, which is so essential to the vitality and employment opportunities in parts of our great cities. Title V concentrates on helping the public assistance recipient and other needy persons develop new skills which will make them employable.

This legislation and this congressional commitment is necessary because poverty is a national problem. Our people are a mobile people, moving from State to State, wherever opportunities exist.



Some of the States which suffer from the worst conditions of poverty also suffer from a dearth of resources with which to attack their own problems. These are the reasons why the war on poverty must be nationwide in scope. However, the Federal Government will work cooperatively with the local and State governments so that the treasured local-State-Federal partnership may be maintained.

In testimony presented to the committee by Thomas Nichols, chairman of the executive committee of Olin Mathieson Co., he stated:

The concept of government and the business community as disaster crews is hopelessly obsolete. Neither government nor the business community ought to be viewed as a Red Cross task force speeding to the scene of each successive disaster area; rather, they should be partners joined in the prevention of disaster \* \* \*. The bill before you \* \* \* outlines a reasonable beginning, a project that brings into appropriate posture \* \* \* these problems that beset us \* \* \* it can only succeed if the full resources of labor, business, and the agencies of Federal, State, and local government march side by side in support of it \* \* \*. Economic opportunity for all, if we are to reach dry, firm ground, will come only if we combine the powerful resources we have, private and public, National, State, and local, for one mighty coordinated effort.

## BACKGROUND OF THE LEGISLATION WITH DISCUSSION OF THE MAJOR PROVISIONS OF THE BILL

### TITLE I—YOUTH PROGRAMS

The purpose of title I is to create new opportunities and expand existing opportunities for young people to obtain work, education, and training. Part A authorizes the establishment of a Job Corps and part B provides financial assistance to State and local programs providing work and training opportunities for young people. Part C inaugurates a work study program to assist young people to obtain a higher education.

The committee received convincing evidence of the growing number of out-of-school and unemployed young people urgently requiring the type of programs envisioned by title I. In October 1963 there were 730,000 youths 16 to 21 years old who were out of school, looking for work and unable to find it. During 1963 the number of jobs for young workers in America was not increased by a single job. Consequently, every added member of the teenage work force resulted in one additional unemployed teenager. In analyzing statistics regarding those examined for selective service, we learn that roughly a third of those examined are rejected for health and educational deficiencies. This amounts to approximately 600,000 per year. Many of these can be traced to the lack of work, training and educational opportunities of young people from economically disadvantaged families.

#### *Job Corps*

Part A of title I authorizes the establishment of a Job Corps to prepare young men and women for the responsibilities of citizenship and employment. The Job Corps is designed to serve the needs of



hundreds of thousands of rural and urban young Americans who are out of school and out of work or who are employed in dead end jobs; these are Americans who find the exit from a life of poverty blocked by lack of opportunity to improve their skills and capacities.

The aforementioned group includes a substantial number of young women, and the committee has therefore provided that participation in the Job Corps be available to them. Statistics cited during the committee hearings on H.R. 11377 indicate that approximately 46 percent of all school dropouts are young women. Since women comprise approximately one-third of our labor force, it is the committee's desire that at the very minimum the number of young women in the Job Corps should be as nearly as practicable in the same proportion.

The Job Corps will seek to enroll those young persons, age 16 through 21, for whom the best prescription is a change in surroundings, and associations. Individuals who have not graduated from an accredited high school may be enrolled only when further attendance by such individuals in any regular academic, vocational, or training program is impracticable. The Director will establish procedures to obtain the views of local school authorities with respect to the practicability of continuing training or education for such enrollees. In addition, high school graduates may also be enrolled in exceptional circumstances, such as failure to pass the selective service mental achievement examination, or other evidence of failure to meet academic achievement necessary for job placement.

To those who volunteer and are selected, the Job Corps will offer a rewarding opportunity for education, vocational training, useful work, recreation and physical training, and other appropriate activities welded into a carefully designed program.

The enrollees in the Job Corps will live in either conservation or training centers in rural or urban areas. Both will be residential. The conservation centers of approximately 100 to 200 youth each will offer a healthy, out-of-doors life where the discipline of work and new skills will be learned while our Nation's parks, forests, and other natural resources are improved. The training centers will be larger and many will use excess Government facilities no longer needed for their original purpose.

In some centers, education and vocational training will be provided through local public educational agencies or private vocational educational institutional or technical institutes where these institutions can provide substantially equivalent training with reduced Federal expenditures. Similarly, some centers will be planned and managed by other institutions which have rich resources to contribute to youth education and guidance programs, while in others the training will be provided by the Job Corps itself.

An additional resource expected to play an important role in the operation of Job Corps centers will be the VISTA volunteer.

In Job Corps centers, enrollees will participate in well-rounded programs designed both to build up new skills and to instill habits and attitudes essential to future employment. Through education, and work and skill training, enrollees will learn the meaning of self-respect and self-confidence through their own achievements. New vocational goals never before open to these young men and women will open up

in the training programs which will be offered. The entire core of the program will be based on building each individual's employability in a job which will enable him to maintain himself and his family on a decent living standard.

In addition to the education and training each enrollee will receive, he or she will also benefit from a new and wholesome environment, physical training, adequate medical service, and intensive guidance and counseling. Social responsibility, respect for others, and pride in personal achievement will be encouraged through extracurricular programs tailored to the needs of the enrollees. The living, travel, leave, and readjustment allowances will likewise be designed to instill thrift and responsibility.

The Job Corps program marks the first time in nearly 30 years that this Nation has dedicated itself to providing an opportunity for those children of poverty who need a residential experience in order to secure a new start. For its enrollees, the Job Corps will thus mean an opportunity to develop their interests and abilities and to secure a job. For the country, the Job Corps will be a resource whereby some of our disadvantaged youth will learn to contribute to society rather than to take from it.

#### *Work-training programs*

The work-training programs in title I, part B, are designed to give unemployed young men and women aged 16 to 21 (including both those in school and those out of school) a chance to break out of poverty by providing them with an opportunity to work, and, through work, a training experience not now available to them in private employment or under any existing Federal program.

It is anticipated that the administration of this part will give particular attention to work programs which will enable young people to maintain regular high school attendance or return to high school if they have already dropped out.

The work offered young men and women in this program will increase their employability by enabling them to acquire new skills and work habits on a job. Attention will also be given to counseling during and job placement after the work-training period.

The work in these projects will not only give youth who are victims of poverty an opportunity to increase their employability, but it will also give them a chance to help their own communities to become part of what the President recently called the "great society" by providing important public services that would not otherwise be provided.

In the administration of the work-training program the Director will coordinate the program with the Secretary of Labor. It is contemplated that the Department of Labor will cooperate with the Director in the execution of the program by contracting through field representatives with the local groups, both public and private non-profit, who will actually run the projects as sponsors. The projects will be distributed equitably among the States taking into account the need of youth. Distribution within States should emphasize locating projects in areas where poverty problems are concentrated and chronic.



The enrollees in the program must be young men and women, aged 16 through 21, from impoverished families or neighborhoods who are—

1. out of school, unemployed, and who need assistance and experience to resume and maintain school attendance,
2. out of school, unemployed, and not planning to return to school, who need work experience in order to prepare for formal training or for a job, or
3. in school, but who are identifiable as potential dropouts and for whom a work experience and financial assistance would provide the necessary incentive to continue in school—and so increase their employability.

The committee has used the term “unemployed” in its broadest sense. In the administration of this part it is anticipated that the Director will give particular attention to work programs which will enable young people to maintain regular high school attendance or return to high school if they have already dropped out.

Programs can be sponsored by State or local public agencies or by private nonprofit agencies. Sponsors must demonstrate ability and desire to reach out to and deal effectively with the poverty group for whom the program is intended. A private employer engaged in normal business with the public may not become a project sponsor.

The kinds of jobs on which the youth will work are varied. They may work in occupations which are being newly developed or they may be in occupations for which there is a greatly increased demand in the public and the private nonprofit sectors, such as auto mechanics, office workers, draftsmen trainees, cook's assistants, nurses' aids, and hospital orderlies. They may also be in occupations related to the development of recreation facilities, the conservation of natural resources, and neighborhood improvement projects.

All of the jobs will provide important services and should be designed to increase the employability of the youth. In no instances will the youth thus employed replace others already now employed.

The actual programs will vary from State to State and locality to locality because they will be tailored to meet local needs.

Work places can be in hospitals, playgrounds, libraries, local government departments such as recreation, health, sanitation, public works, schools, State or county parks and forests, settlement houses, and other places where public services can be performed.

The number of work hours can vary in different programs. Part-time daily employment can be combined with school attendance. Full-time employment can be offered to those who plan to resume their education or need to increase their employability through work experience.

This program fills a gap and provides another tool to meet the growing problem of unemployed youth. Other programs recently enacted or now before the Congress have provided other tools.

Training under the Vocational Education Act and the Manpower Development and Training Act is a curriculum-centered remedy for the development of skills. The Job Corps provides an “away from home” work and training experience for those who will respond to it.

The existing program most similar to this part is the work-study program authorized in the Vocational Education Act of 1963 which provides similar work experience only to those in full-time attendance



in vocational schools. But it would not be available to more than 80 percent of the school population (those not in vocational programs) nor to the over 1 million youth who are out of school and out of work.

The Federal share of the cost of projects during fiscal years 1965 and 1966 will be 90 percent, with the sponsor contributing 10 percent either in cash or in kind. The Federal contribution thereafter will be 50 percent. The costs shared by the Federal Government will normally include the costs of wages for the youth, project administration, selection and job placement, supervision and training on the job, and counseling.

#### *Work-study programs*

In the administration of the college work-study programs authorized by title I, part C, the Director will coordinate the programs with the Department of Health, Education, and Welfare. The execution of these programs which are designed to provide basic financial assistance through part-time employment for the able but needy college student, or potential college student, will be the responsibility of the participating institution of higher learning. Since students from low-income families must be literally self-supporting throughout four or more years of college, institutions of higher education are usually able to provide only for the extremely bright students—from the top 2 to 3 percent of high school graduating classes. A recent study, conducted under the auspices of the University of Pittsburgh, indicates that at all ability levels below the top 2 percent, boys and girls from families with less than \$3,000 annual income have the poorest chance of entering college.

Many more able students from poor families would be able to enter and complete college, if they could depend on part-time work during the college year, and full-time employment during vacation periods to supplement limited loan or scholarship support from the college or university itself. Under authorizations proposed in this part, part-time and vacation-time work opportunities would be provided for more than 140,000 students from low-income families per year.

Federal funds will be distributed among the States according to a three-factor formula: the full-time college enrollment, the number of high school graduates, and number of children 18 years and under from families with incomes under \$3,000 per year, in each State as compared to the national total. The table below presents the estimated State distribution of \$71,700,000 with 2 percent reserved for distribution to the outlying parts of the United States. Criteria will be established to achieve equitable distribution of assistance to participating institutions within each State.

## ECONOMIC OPPORTUNITY ACT OF 1964, PART C, TITLE 1—WORK STUDY PROGRAM

*Estimates of distribution of \$71,700,000 with 2 percent reserved for distribution to the outlying parts*

| State                     | Total        | On basis of<br>full-time<br>college stu-<br>dents enrolled | On basis of<br>high school<br>graduates | Number of<br>children un-<br>der 18 in<br>families with<br>income under<br>\$3,000 |
|---------------------------|--------------|------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------|
| Grand total.....          | \$71,700,000 | \$23,900,000                                               | \$23,900,000                            | \$23,900,000                                                                       |
| Total.....                | 70,266,000   | 23,422,000                                                 | 23,422,000                              | 23,422,000                                                                         |
| Alabama.....              | 1,716,951    | 324,279                                                    | 404,137                                 | 988,535                                                                            |
| Alaska.....               | 53,775       | 9,504                                                      | 19,510                                  | 24,761                                                                             |
| Arizona.....              | 611,507      | 239,809                                                    | 185,038                                 | 186,660                                                                            |
| Arkansas.....             | 1,055,469    | 209,939                                                    | 236,028                                 | 609,502                                                                            |
| California.....           | 5,809,750    | 2,446,011                                                  | 2,253,303                               | 1,110,436                                                                          |
| Colorado.....             | 737,359      | 327,869                                                    | 232,354                                 | 177,136                                                                            |
| Connecticut.....          | 748,034      | 299,180                                                    | 336,507                                 | 112,377                                                                            |
| Delaware.....             | 143,963      | 46,047                                                     | 57,917                                  | 39,999                                                                             |
| Florida.....              | 1,873,202    | 535,684                                                    | 558,499                                 | 779,019                                                                            |
| Georgia.....              | 1,926,678    | 390,531                                                    | 452,377                                 | 1,083,776                                                                          |
| Hawaii.....               | 247,874      | 82,046                                                     | 112,497                                 | 53,331                                                                             |
| Idaho.....                | 272,011      | 92,647                                                     | 106,986                                 | 72,378                                                                             |
| Illinois.....             | 3,169,810    | 1,167,305                                                  | 1,236,819                               | 765,686                                                                            |
| Indiana.....              | 1,682,425    | 675,712                                                    | 612,442                                 | 394,271                                                                            |
| Iowa.....                 | 1,203,831    | 448,199                                                    | 405,169                                 | 350,463                                                                            |
| Kansas.....               | 933,763      | 384,080                                                    | 328,739                                 | 220,944                                                                            |
| Kentucky.....             | 1,464,578    | 333,307                                                    | 333,205                                 | 798,066                                                                            |
| Louisiana.....            | 1,732,678    | 428,815                                                    | 401,039                                 | 902,324                                                                            |
| Maine.....                | 342,086      | 97,142                                                     | 130,662                                 | 114,282                                                                            |
| Maryland.....             | 1,025,401    | 331,904                                                    | 394,460                                 | 299,037                                                                            |
| Massachusetts.....        | 1,870,943    | 907,498                                                    | 692,979                                 | 270,466                                                                            |
| Michigan.....             | 2,733,109    | 1,019,191                                                  | 1,083,465                               | 630,453                                                                            |
| Minnesota.....            | 1,465,634    | 571,175                                                    | 517,330                                 | 377,129                                                                            |
| Mississippi.....          | 1,475,646    | 278,953                                                    | 259,584                                 | 937,109                                                                            |
| Missouri.....             | 1,728,984    | 582,958                                                    | 561,285                                 | 584,741                                                                            |
| Montana.....              | 283,175      | 107,505                                                    | 99,482                                  | 76,188                                                                             |
| Nebraska.....             | 616,509      | 223,417                                                    | 200,718                                 | 192,374                                                                            |
| Nevada.....               | 80,431       | 25,474                                                     | 35,910                                  | 19,047                                                                             |
| New Hampshire.....        | 212,367      | 95,393                                                     | 78,880                                  | 38,094                                                                             |
| New Jersey.....           | 1,553,989    | 453,584                                                    | 784,226                                 | 316,179                                                                            |
| New Mexico.....           | 415,312      | 120,284                                                    | 114,082                                 | 180,946                                                                            |
| New York.....             | 5,085,160    | 1,898,369                                                  | 2,064,927                               | 1,121,864                                                                          |
| North Carolina.....       | 2,536,967    | 592,784                                                    | 591,852                                 | 1,352,331                                                                          |
| North Dakota.....         | 336,631      | 113,634                                                    | 108,715                                 | 114,282                                                                            |
| Ohio.....                 | 3,149,790    | 1,152,124                                                  | 1,231,980                               | 765,686                                                                            |
| Oklahoma.....             | 1,118,484    | 380,774                                                    | 324,392                                 | 413,318                                                                            |
| Oregon.....               | 714,246      | 320,896                                                    | 267,640                                 | 125,710                                                                            |
| Pennsylvania.....         | 3,705,820    | 1,236,816                                                  | 1,522,372                               | 946,632                                                                            |
| Rhode Island.....         | 296,218      | 124,457                                                    | 103,192                                 | 68,569                                                                             |
| South Carolina.....       | 1,360,279    | 236,940                                                    | 300,512                                 | 822,827                                                                            |
| South Dakota.....         | 355,295      | 109,607                                                    | 104,741                                 | 140,947                                                                            |
| Tennessee.....            | 1,858,717    | 462,935                                                    | 439,627                                 | 956,155                                                                            |
| Texas.....                | 4,317,727    | 1,291,677                                                  | 1,106,121                               | 1,919,929                                                                          |
| Utah.....                 | 479,008      | 266,434                                                    | 145,910                                 | 66,664                                                                             |
| Vermont.....              | 184,663      | 81,417                                                     | 57,533                                  | 45,713                                                                             |
| Virginia.....             | 1,636,483    | 390,899                                                    | 443,709                                 | 801,875                                                                            |
| Washington.....           | 1,088,613    | 471,572                                                    | 424,667                                 | 192,374                                                                            |
| West Virginia.....        | 878,882      | 205,690                                                    | 244,636                                 | 428,556                                                                            |
| Wisconsin.....            | 1,493,608    | 575,080                                                    | 604,254                                 | 314,274                                                                            |
| Wyoming.....              | 125,246      | 49,016                                                     | 45,755                                  | 30,475                                                                             |
| District of Columbia..... | 356,919      | 205,467                                                    | 63,836                                  | 87,616                                                                             |
| 2 percent reserve.....    | 1,434,000    | 478,000                                                    | 478,000                                 | 478,000                                                                            |



Each participating institution will be encouraged to develop two types of employment opportunities: on-campus employment in a wide variety of occupations, and off-campus employment under agreements with public or nonprofit organizations where the employment is either related to the student's educational objective, or is in the public interest and would not otherwise be provided. On-campus employment may range from dormitory maintenance, food service, and clerical work to computer programming, library indexing, and assisting in the college bursar's office. Off-campus employment may include jobs in health, welfare, recreation, education, and social service areas—especially where there are pressing community needs for the assistance of capable college students in programs which are part of a community's efforts to combat poverty. In this way, the college can help meet the financial needs of the student, the student gains invaluable work experience, and the community gains talented and highly motivated student assistance in a variety of service jobs.

Because of the limited resources traditionally available to colleges for student employment, expansion of off-campus jobs has been extremely slow. But just as the NDEA student loan program stimulated student borrowing to meet college expenses, so the work-study program will give great impetus to this expansion. Further, these same students will make invaluable part-time aids, instructors, assistants and workers in community action programs, the Job Corps, and similar activities proposed in other parts of this legislation. Students who have come from deprived backgrounds will have a special understanding of the problems faced by youth assisted in these programs. Their contributions will be particularly significant also because these same students, as mature upperclassmen, will represent positive proof that educational attainment can break the cycle of poverty.

Establishment of such a program would not interfere in any way with existing work relations between colleges and agencies nor will it disrupt work relationships already established by students holding jobs in the community.

To aid the college in development of the off-campus program, the legislation allows an institution to utilize a part of its grant to defray administrative and supervisory overhead expenses. The amount so used may not exceed an amount equal to 5 percent of the Federal funds earmarked for off-campus employment.

In addition to being enrolled or accepted for enrollment in an institution of higher education, the student must come from a low-income family, and be in need of financial assistance. The program is directed toward serving the needs of students from low-income families. However, in determining the eligibility of students the colleges should consider all of the factors relating to poverty, so that the participants in the work-study programs will be the students in greatest need.

In order to make certain that part-time employment responsibilities do not interfere with the student's academic progress, the legislation provides that no student may be employed under the work-study program for more than 15 hours a week while classes in which he is enrolled are in session. Comparative studies at the University of



Denver, the University of Southern Illinois, and Harvard on the academic achievement of students working part time compared with nonworking students all have concluded that the academic records of students who work part time for a limited period of hours are as good as or better than the records of students who do not work at all. Full-time employment during vacation periods and summers under the work-study program may be desirable or necessary when the student has heavy financial needs and the compensation from term-time employment is not sufficient to meet his needs.

Each participating institution will enter into an agreement which will provide for Federal support not to exceed 90 percent of student compensation for the first 2 years and 75 percent thereafter for on-campus work opportunities. For work opportunities developed off-campus, through public or nonprofit agencies, the Federal share will be 50 percent. Each institution must also agree to maintain annual expenditures for student employment at the same level as its average annual expenditures for such employment in the 3 years preceding the establishment of the work-study program.

#### TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Title II of the bill authorizes two types of programs: General community action programs, in part A, and adult basic education programs, in part B.

Part A of title II authorizes Federal financial assistance for "community action programs" developed and conducted at a community level to combat poverty.

This is based on the belief that local citizens know and understand their communities best and that they will be the ones to seize the initiative and provide sustained, vigorous leadership. It is based, too, on the conviction that communities will commit their ideas and resources and assume responsibility for developing and carrying out local action programs. Thus, the role of the Federal Government will be to give counsel and help, *when requested*, and to make available substantial assistance in meeting the costs of those programs.

Obviously, there will be wide variation in these programs in view of the differences which exist in the nature of the population, the nature of the locale and the extent and capacity of public and private resources within the community. Thus, programs may be developed in large urban communities, rural areas, on Indian reservations, in small towns and isolated mountain hollows, wherever poverty is found.

Because of this, as much flexibility as possible will be left to the communities and local organizations to develop their own approaches. But clearly the programs must come to grips with the fundamental aspects of the problems they seek to deal with in a way that will not merely tend to make them more endurable, but offer real promise of their elimination.

Section 202 defines a community action program eligible for Federal assistance as a program which—

mobilizes and utilizes resources, public or private \* \* \* in an attack on poverty;

provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward the elimination of poverty or a cause or causes of poverty \* \* \*;

is developed, conducted, and administered with the maximum feasible participation of residents of the areas \* \* \*;

is conducted, administered, or coordinated by a public or non-profit private agency, or combination thereof.

These programs would be conducted in such fields as employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance.

Because poverty has many interrelated causes, financial assistance under title II will be made available to organizations to assist in the development and operation of *action* programs which are of sufficient size and scope to show promise of concrete progress toward the elimination of poverty and a cause or causes of poverty. The organizations to implement such a program may be a public or nonprofit private agency, or a combination thereof, which has the resources or capacity to develop, coordinate, and operate an effective community *action* program.

The committee anticipates that the Office of Economic Opportunity will encourage the development of community action programs which would carry out a multifaceted coordinated attack on the interrelated causes of poverty. It is not, however, the intention of the committee that the development of such a comprehensive communitywide plan be a prerequisite to the extension of financial assistance to a public or private nonprofit agency for the development or execution of a program which gives promise of progress toward elimination of a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity or bettering the conditions under which people live, learn, and work.

An essential purpose of part A is to provide assistance in developing action programs to all the poor people in a community without any discrimination based on race, color, or creed, so that equality of opportunity will be a reality for everyone.

Participation by the widest possible range of community organizations is envisaged, provided, of course, that the programs they offer are available without discrimination throughout the community. Settlement houses, citizens associations, YMCA's and YWCA's, Protestant, Catholic, Jewish, and other youth organizations, and similar organizations, would all have a role to play.

Testimony before the committee has indicated that this kind of wide-ranging participation is essential in getting at the root causes of poverty in the community. Every community institution must serve multiple purposes. For example, school playgrounds might be open after school hours to accommodate all children in the neighborhood. Community centers and other buildings might be used to provide day care for preschool-age children, study centers, volunteer or professional tutoring programs, health and social work services, and special library services, and classrooms might be used for remedial instruction for groups of parents or children with language difficulties. Such programs would be separate from the regular required curriculum of any school or school systems. They would not involve sectarian instruction or religious worship or practice. General aid to elementary and secondary schools is not within the contemplation of this part, and is specifically barred. But other programs could be carried on by nonpublic as well as public institutions.



The bill authorizes, in section 204, grants to public or nonprofit private agencies, or combinations thereof, to pay part or all of the costs of development of such programs, and, in section 206, the provision of technical assistance to communities and the training of specialized personnel needed to develop, conduct, or administer such programs. In addition, section 209 authorizes grants to and contracts with appropriate State agencies to pay the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

Section 209 also provides that the Director shall establish procedures which will facilitate effective participation of the States in community action programs. These procedures will include referral of applications for assistance to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

Not more than 15 percent of the funds appropriated or allocated for the purposes of part A of title II may be reserved for research, training, and demonstration grants to institutions of higher education or other appropriate public agencies or private nonprofit organizations under section 207. Additional sums may be set aside for the provision of necessary technical assistance to communities and training of specialized personnel under section 206. The remainder of the funds appropriated or allocated for part A shall be reserved for the purposes of sections 204 and 205 and shall be allotted as follows:

1. Twenty percent shall be reserved for allotment among the States as the Director shall determine.

2. Not to exceed 2 percent of such funds shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands, according to their respective needs.

3. The remainder shall be allocated to the States as follows:

- (a) One-third on the basis of the number of public assistance recipients in a State as a percentage of the national total.

- (b) One-third on the basis of the annual average number of persons unemployed in each State as a percentage of the national total.

- (c) One-third on the basis of the number of children under 18 living in families whose incomes are less than \$1,000 as a percentage of the national total.

Under the criteria set forth each State would be allotted from the funds authorized to be appropriated by section 221 the amounts indicated in the following table:



*Estimated distribution of \$204,750,000<sup>1</sup> with 1/3 on the basis of public assistance recipients; 1/3 on the basis of unemployment; and 1/3 on the basis of the number of children under 18 in families with income of less than \$1,000*

| State                                   | Total         | Basis for estimated distribution of funds |                           |                                                                             |
|-----------------------------------------|---------------|-------------------------------------------|---------------------------|-----------------------------------------------------------------------------|
|                                         |               | Public assistance recipients <sup>2</sup> | Unemployment <sup>3</sup> | Children under 18 in families with income of less than \$1,000 <sup>4</sup> |
| (1)                                     | (2)           | (3)                                       | (4)                       | (5)                                                                         |
| U.S. and outlying parts.....            | \$204,750,000 | \$68,250,000                              | \$68,250,000              | \$68,250,000                                                                |
| 50 States and District of Columbia..... | 200,655,000   | 66,885,000                                | 66,885,000                | 66,885,000                                                                  |
| Alabama.....                            | 6,132,163     | 1,902,147                                 | 1,026,181                 | 3,203,835                                                                   |
| Alaska.....                             | 251,404       | 62,349                                    | 109,948                   | 79,107                                                                      |
| Arizona.....                            | 1,621,015     | 569,888                                   | 438,047                   | 613,080                                                                     |
| Arkansas.....                           | 3,133,323     | 879,871                                   | 572,427                   | 1,681,025                                                                   |
| California.....                         | 18,005,345    | 7,413,496                                 | 7,190,247                 | 3,401,602                                                                   |
| Colorado.....                           | 1,886,089     | 904,751                                   | 546,249                   | 435,089                                                                     |
| Connecticut.....                        | 2,080,920     | 776,126                                   | 968,589                   | 336,205                                                                     |
| Delaware.....                           | 381,220       | 147,955                                   | 134,381                   | 98,884                                                                      |
| Florida.....                            | 5,435,424     | 1,696,236                                 | 1,919,726                 | 1,819,462                                                                   |
| Georgia.....                            | 5,572,475     | 1,655,970                                 | 1,108,205                 | 2,808,300                                                                   |
| Hawaii.....                             | 527,294       | 161,401                                   | 207,679                   | 158,214                                                                     |
| Idaho.....                              | 604,957       | 173,911                                   | 253,055                   | 177,991                                                                     |
| Illinois.....                           | 9,416,462     | 3,739,563                                 | 3,422,348                 | 2,254,551                                                                   |
| Indiana.....                            | 3,068,750     | 644,201                                   | 1,336,827                 | 1,087,722                                                                   |
| Iowa.....                               | 2,397,615     | 768,300                                   | 521,816                   | 1,107,499                                                                   |
| Kansas.....                             | 1,704,703     | 625,647                                   | 525,307                   | 553,749                                                                     |
| Kentucky.....                           | 4,837,770     | 1,337,756                                 | 968,589                   | 2,531,425                                                                   |
| Louisiana.....                          | 5,748,485     | 2,304,291                                 | 1,150,090                 | 2,294,104                                                                   |
| Maine.....                              | 1,005,725     | 407,146                                   | 361,258                   | 237,321                                                                     |
| Maryland.....                           | 2,601,297     | 896,898                                   | 952,882                   | 751,517                                                                     |
| Massachusetts.....                      | 4,780,084     | 1,727,221                                 | 2,321,123                 | 731,740                                                                     |
| Michigan.....                           | 7,124,420     | 2,605,125                                 | 2,699,833                 | 1,819,462                                                                   |
| Minnesota.....                          | 3,551,692     | 1,131,792                                 | 1,371,732                 | 1,048,168                                                                   |
| Mississippi.....                        | 5,691,618     | 1,563,438                                 | 647,471                   | 3,480,709                                                                   |
| Missouri.....                           | 5,256,311     | 2,139,555                                 | 1,514,838                 | 1,601,918                                                                   |
| Montana.....                            | 624,604       | 197,635                                   | 209,425                   | 217,544                                                                     |
| Nebraska.....                           | 1,055,919     | 265,975                                   | 335,079                   | 454,865                                                                     |
| Nevada.....                             | 255,459       | 72,778                                    | 143,107                   | 39,564                                                                      |
| New Hampshire.....                      | 420,138       | 132,772                                   | 188,482                   | 98,884                                                                      |
| New Jersey.....                         | 5,394,533     | 1,462,693                                 | 2,982,556                 | 949,284                                                                     |
| New Mexico.....                         | 1,210,859     | 406,379                                   | 270,507                   | 533,973                                                                     |
| New York.....                           | 16,686,653    | 6,180,852                                 | 7,539,288                 | 2,966,513                                                                   |
| North Carolina.....                     | 7,329,255     | 1,701,450                                 | 1,356,025                 | 4,271,780                                                                   |
| North Dakota.....                       | 660,693       | 157,528                                   | 186,737                   | 316,428                                                                     |
| Ohio.....                               | 8,769,185     | 3,415,129                                 | 3,277,496                 | 2,076,560                                                                   |
| Oklahoma.....                           | 3,257,861     | 1,509,859                                 | 759,164                   | 988,838                                                                     |
| Oregon.....                             | 1,410,296     | 456,288                                   | 617,803                   | 336,205                                                                     |
| Pennsylvania.....                       | 12,446,547    | 4,219,337                                 | 5,834,222                 | 2,392,988                                                                   |
| Rhode Island.....                       | 1,016,042     | 355,216                                   | 443,282                   | 217,544                                                                     |
| South Carolina.....                     | 4,192,322     | 634,170                                   | 710,299                   | 2,847,853                                                                   |
| South Dakota.....                       | 805,601       | 179,126                                   | 151,833                   | 474,642                                                                     |
| Tennessee.....                          | 5,465,890     | 1,320,763                                 | 1,336,827                 | 2,808,300                                                                   |
| Texas.....                              | 10,986,082    | 2,915,063                                 | 3,146,606                 | 4,924,413                                                                   |
| Utah.....                               | 824,901       | 343,244                                   | 303,666                   | 177,991                                                                     |
| Vermont.....                            | 372,611       | 104,442                                   | 169,285                   | 98,884                                                                      |
| Virginia.....                           | 3,940,207     | 647,280                                   | 860,386                   | 2,432,541                                                                   |
| Washington.....                         | 2,989,631     | 1,318,364                                 | 1,157,071                 | 514,196                                                                     |
| West Virginia.....                      | 3,743,459     | 1,387,586                                 | 991,277                   | 1,364,596                                                                   |
| Wisconsin.....                          | 2,843,731     | 962,486                                   | 1,109,951                 | 771,294                                                                     |
| Wyoming.....                            | 293,527       | 80,039                                    | 134,381                   | 79,107                                                                      |
| District of Columbia.....               | 842,453       | 223,512                                   | 401,397                   | 217,544                                                                     |
| Outlying parts <sup>5</sup> .....       | 4,095,000     | 1,365,000                                 | 1,365,000                 | 1,365,00                                                                    |

<sup>1</sup> \$315,000,000 minus 15 percent (\$47,250,000) for research and training (sec. 207) and minus 20 percent (\$63,000,000) for special distribution by the Director, Office of Economic Opportunity (sec. 203).

<sup>2</sup> Public assistance recipients, January 1964.

<sup>3</sup> Total unemployment, average 1963 (preliminary 11-month average).

<sup>4</sup> Estimate based on the assumption that there are an average of 5 children in families with 4 or more children as shown in PC-1D series.

<sup>5</sup> This amount may be reduced because of reservations of funds pursuant to sec. 206 of title II, pt. A.

<sup>6</sup> American Samoa, Guam, Puerto Rico, Virgin Islands; distribution to outlying parts, as a whole, represents 2 percent of the total distribution to the United States and outlying parts.

*Data used for estimated distribution of \$204,750,000 with  $\frac{1}{3}$  on the basis of public assistance recipients;  $\frac{1}{3}$  on the basis of unemployment; and  $\frac{1}{3}$  on the basis of the number of children under 18 in families with income of less than \$1,000.*

| State                                       | Number of public assistance recipients, January 1964 | Total unemployment, 1963 preliminary data (11-month average) <sup>1</sup> (thousands) | Children under 18 in families with income of less than \$1,000 <sup>2</sup> (thousands) |
|---------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| (1)                                         | (2)                                                  | (3)                                                                                   | (4)                                                                                     |
| 50 States and the District of Columbia..... | 7,581,084                                            | 3,832.5                                                                               | 3,382                                                                                   |
| Alabama.....                                | 215,599                                              | 58.8                                                                                  | 162                                                                                     |
| Alaska.....                                 | 7,067                                                | 6.3                                                                                   | 4                                                                                       |
| Arizona.....                                | 64,594                                               | 25.1                                                                                  | 31                                                                                      |
| Arkansas.....                               | 99,729                                               | 32.8                                                                                  | 85                                                                                      |
| California.....                             | 840,283                                              | 412.0                                                                                 | 172                                                                                     |
| Colorado.....                               | 102,549                                              | 31.3                                                                                  | 22                                                                                      |
| Connecticut.....                            | 87,970                                               | 55.5                                                                                  | 17                                                                                      |
| Delaware.....                               | 16,770                                               | 7.7                                                                                   | 5                                                                                       |
| Florida.....                                | 192,260                                              | 110.0                                                                                 | 95                                                                                      |
| Georgia.....                                | 187,696                                              | 63.5                                                                                  | 142                                                                                     |
| Hawaii.....                                 | 18,294                                               | 11.9                                                                                  | 8                                                                                       |
| Idaho.....                                  | 19,712                                               | 14.5                                                                                  | 9                                                                                       |
| Illinois.....                               | 423,861                                              | 196.1                                                                                 | 114                                                                                     |
| Indiana.....                                | 73,017                                               | 76.6                                                                                  | 55                                                                                      |
| Iowa.....                                   | 87,083                                               | 29.9                                                                                  | 56                                                                                      |
| Kansas.....                                 | 70,914                                               | 30.1                                                                                  | 28                                                                                      |
| Kentucky.....                               | 151,628                                              | 55.5                                                                                  | 128                                                                                     |
| Louisiana.....                              | 261,180                                              | 65.9                                                                                  | 116                                                                                     |
| Maine.....                                  | 46,148                                               | 20.7                                                                                  | 12                                                                                      |
| Maryland.....                               | 101,659                                              | 54.6                                                                                  | 38                                                                                      |
| Massachusetts.....                          | 195,772                                              | 133.0                                                                                 | 37                                                                                      |
| Michigan.....                               | 295,278                                              | 154.7                                                                                 | 92                                                                                      |
| Minnesota.....                              | 128,283                                              | 78.6                                                                                  | 53                                                                                      |
| Mississippi.....                            | 177,208                                              | 37.1                                                                                  | 176                                                                                     |
| Missouri.....                               | 242,508                                              | 86.8                                                                                  | 81                                                                                      |
| Montana.....                                | 22,401                                               | 12.0                                                                                  | 11                                                                                      |
| Nebraska.....                               | 30,147                                               | 19.2                                                                                  | 23                                                                                      |
| Nevada.....                                 | 8,249                                                | 8.2                                                                                   | 2                                                                                       |
| New Hampshire.....                          | 15,049                                               | 10.8                                                                                  | 5                                                                                       |
| New Jersey.....                             | 165,789                                              | 170.9                                                                                 | 48                                                                                      |
| New Mexico.....                             | 46,061                                               | 15.5                                                                                  | 27                                                                                      |
| New York.....                               | 700,569                                              | 432.0                                                                                 | 150                                                                                     |
| North Carolina.....                         | 192,851                                              | 77.7                                                                                  | 216                                                                                     |
| North Dakota.....                           | 17,855                                               | 10.7                                                                                  | 16                                                                                      |
| Ohio.....                                   | 387,088                                              | 187.8                                                                                 | 105                                                                                     |
| Oklahoma.....                               | 171,135                                              | 43.5                                                                                  | 50                                                                                      |
| Oregon.....                                 | 51,718                                               | 35.4                                                                                  | 17                                                                                      |
| Pennsylvania.....                           | 478,241                                              | 334.3                                                                                 | 121                                                                                     |
| Rhode Island.....                           | 40,262                                               | 25.4                                                                                  | 11                                                                                      |
| South Carolina.....                         | 71,880                                               | 40.7                                                                                  | 144                                                                                     |
| South Dakota.....                           | 20,303                                               | 8.7                                                                                   | 24                                                                                      |
| Tennessee.....                              | 149,702                                              | 76.6                                                                                  | 141                                                                                     |
| Texas.....                                  | 330,408                                              | 180.3                                                                                 | 249                                                                                     |
| Utah.....                                   | 38,905                                               | 17.4                                                                                  | 9                                                                                       |
| Vermont.....                                | 11,838                                               | 9.7                                                                                   | 5                                                                                       |
| Virginia.....                               | 73,366                                               | 49.3                                                                                  | 123                                                                                     |
| Washington.....                             | 149,430                                              | 66.3                                                                                  | 26                                                                                      |
| West Virginia.....                          | 157,276                                              | 56.8                                                                                  | 69                                                                                      |
| Wisconsin.....                              | 109,093                                              | 63.6                                                                                  | 39                                                                                      |
| Wyoming.....                                | 9,072                                                | 7.7                                                                                   | 4                                                                                       |
| District of Columbia.....                   | 25,334                                               | 23.0                                                                                  | 11                                                                                      |

<sup>1</sup> Data for Tennessee are for 1962. See p. 234, Manpower Report of the President, March 1964.

<sup>2</sup> Estimate based on the assumption that there are an average of 5 children in families with 4 or more children as shown in PC-1-D series.



*Adult basic education*

This part is designed to remedy a serious national problem by assisting the States in providing basic education to educationally deprived adult citizens. There are in the United States over 11 million adults 22 years of age and older who have completed less than 6 years of schooling. Most of the 11 million persons with less than a sixth-grade education—and many of the more than 20 million adult Americans with less than an eighth-grade education—lack a solid foundation of basic education—the ability to read, write, and do simple arithmetic. Without this ability, many are committed to a future of minimum earnings, recurrent or persistent joblessness, social dependency, and personal deprivation. Many are unable to cope with written instructions in connection with the use of medicine, the direction of traffic, the operation of appliances and equipment, and the completion of employment and tax forms. Consequently, many such persons are unemployed and, in their present condition, virtually unemployable.

The cost to the Nation of this lack of basic education among so large a group is staggering. Supported, in part, by public funds and unable to benefit from major vocational training programs because of the lack of basic education skills, large numbers of undereducated adults are dependent on public assistance, unemployment compensation, public and private charities, and their relatives. This legislation is a positive program designed to combat poverty and thereby reduce the burden imposed upon the Government, private institutions, and individuals.

The committee believes that large numbers of these educationally deprived citizens will seek instruction and greatly benefit from it if the opportunity afforded by this legislation is provided in conjunction with a comprehensive assault on poverty.

Many nations—including our own—have shown that the problem of adult undereducation can be attacked and virtually wiped out. Unfortunately, with little exception, State school systems—overburdened in recent years by increasing demands of growing populations—have not often ventured into this field. This fact alone is one of the major reasons why very few schools with classes for adults are reported to offer courses designed specifically to overcome basic deficiencies in reading, writing and elementary mathematics. For the most part, basic instruction of this nature is now limited to very large cities and designed for the benefit of recent immigrants.

The problem of adult educational deprivation is not one that will go away by itself. It is true that in 1957 nearly 60 percent of all adults with extreme educational deficiencies were over 55 years of age. It is also true that our children are considerably better educated than their parents. But census data tell us that time alone brings scant quantitative improvement to the problem. It has been suggested that with nearly universal State compulsory school attendance laws the problem will disappear. Census data indicate clearly that the problem will not disappear or even be appreciably reduced in many decades without action. In 1960 a total of 8,303,000 adults aged 25 and over had less than 5 years of schooling. A decade earlier, 9,446,000 adults had completed less than 5 years of schooling. The net differential between 1950 and 1960 was therefore 1,143,000, or an average decrease of only about 114,000 a year over the 10-year period.



An overriding consideration is that the learning tools of reading, writing, and arithmetic open the doors of opportunity not only to occupational training and productive work, but also to the larger life of the mind and spirit. The illiterate or near illiterate person, while employed, may be shut out from a whole world of personal growth opportunities as well as from occupational advancement opportunities. Adult basic education is a fundamental approach to independent learning, to adjustment of manpower to changing occupational requirements, to elimination of poverty, and to the larger satisfactions in personal growth made possible through acquisition of the basic learning tools.

Attention is called to the rapidly changing job opportunity market. "Employed today and unemployed tomorrow" is a fact in our present-day society. Some occupations are fading out rapidly and others are coming to the fore with increasing demand for workers. With a great need for trained personnel in the service and health occupations, as well as in some of the areas below the technician level, the key element for a substantial breakthrough to improved occupational status is adult basic education. For many the bar to productive work and independent living will remain until a national, State, and local effort is undertaken in this field.

In order to speed the elimination of adult undereducation, this part authorizes grants to States which have approved State plans for adult basic education programs. Allotments to the States would be based on relative numbers of adults, aged 22 and over, within a State who have not completed more than a fifth-grade education as compared with the number of adults in such category in the Nation as a whole, but with a minimum of \$50,000 for any State.

Following is a State breakdown of first year allotments, estimated at a total of \$25 million of the \$340 million authorized for title II of this act. The table also indicates the number of persons in each State, aged 22 and over, who have completed less than six grades of school.

*Estimated distribution of \$25,000,000 under the provisions of title II, part C, for adult basic education*<sup>1</sup>

|                                             | Estimated State amounts | Estimated population aged 22 and over with less than 6 grades of school completed |
|---------------------------------------------|-------------------------|-----------------------------------------------------------------------------------|
| United States and outlying parts.....       | \$25,000,000            |                                                                                   |
| 50 States and the District of Columbia..... | 24,500,000              | 11,102,147                                                                        |
| Alabama.....                                | 784,885                 | 358,014                                                                           |
| Alaska.....                                 | 50,000                  | 11,268                                                                            |
| Arizona.....                                | 193,830                 | 88,413                                                                            |
| Arkansas.....                               | 429,815                 | 196,054                                                                           |
| California.....                             | 1,459,432               | 665,699                                                                           |
| Colorado.....                               | 126,307                 | 57,613                                                                            |
| Connecticut.....                            | 290,490                 | 132,603                                                                           |
| Delaware.....                               | 50,000                  | 20,641                                                                            |
| Florida.....                                | 753,885                 | 343,874                                                                           |
| Georgia.....                                | 1,010,237               | 460,805                                                                           |
| Hawaii.....                                 | 111,918                 | 51,050                                                                            |
| Idaho.....                                  | 50,000                  | 16,960                                                                            |
| Illinois.....                               | 1,102,606               | 502,938                                                                           |
| Indiana.....                                | 376,215                 | 171,605                                                                           |
| Iowa.....                                   | 147,162                 | 67,126                                                                            |
| Kansas.....                                 | 129,269                 | 58,964                                                                            |
| Kentucky.....                               | 646,796                 | 295,027                                                                           |
| Louisiana.....                              | 945,650                 | 431,345                                                                           |
| Maine.....                                  | 73,952                  | 33,732                                                                            |
| Maryland.....                               | 417,064                 | 190,238                                                                           |
| Massachusetts.....                          | 525,245                 | 239,583                                                                           |
| Michigan.....                               | 721,923                 | 329,295                                                                           |
| Minnesota.....                              | 210,418                 | 95,979                                                                            |
| Mississippi.....                            | 578,297                 | 263,782                                                                           |
| Missouri.....                               | 521,435                 | 237,845                                                                           |
| Montana.....                                | 50,000                  | 20,998                                                                            |
| Nebraska.....                               | 87,301                  | 39,821                                                                            |
| Nevada.....                                 | 50,000                  | 7,722                                                                             |
| New Hampshire.....                          | 50,000                  | 19,180                                                                            |
| New Jersey.....                             | 777,023                 | 354,428                                                                           |
| New Mexico.....                             | 149,979                 | 68,411                                                                            |
| New York.....                               | 2,308,501               | 1,052,990                                                                         |
| North Carolina.....                         | 1,125,733               | 513,487                                                                           |
| North Dakota.....                           | 55,911                  | 25,503                                                                            |
| Ohio.....                                   | 895,882                 | 408,644                                                                           |
| Oklahoma.....                               | 311,460                 | 142,068                                                                           |
| Oregon.....                                 | 101,411                 | 46,257                                                                            |
| Pennsylvania.....                           | 1,351,530               | 616,481                                                                           |
| Rhode Island.....                           | 104,357                 | 47,601                                                                            |
| South Carolina.....                         | 662,779                 | 302,317                                                                           |
| South Dakota.....                           | 50,000                  | 21,291                                                                            |
| Tennessee.....                              | 816,691                 | 372,522                                                                           |
| Texas.....                                  | 1,928,340               | 879,585                                                                           |
| Utah.....                                   | 50,000                  | 16,498                                                                            |
| Vermont.....                                | 50,000                  | 11,249                                                                            |
| Virginia.....                               | 827,526                 | 377,464                                                                           |
| Washington.....                             | 165,830                 | 75,641                                                                            |
| West Virginia.....                          | 319,935                 | 145,934                                                                           |
| Wisconsin.....                              | 358,214                 | 163,394                                                                           |
| Wyoming.....                                | 50,000                  | 9,082                                                                             |
| District of Columbia.....                   | 94,766                  | 43,226                                                                            |
| Outlying parts:                             |                         |                                                                                   |
| American Samoa.....                         | 500,000                 |                                                                                   |
| Canal Zone.....                             |                         |                                                                                   |
| Guam.....                                   |                         |                                                                                   |
| Puerto Rico.....                            |                         |                                                                                   |
| Virgin Islands.....                         |                         |                                                                                   |

<sup>1</sup> Distribution based on the estimated population aged 22 and over with less than 6 grades of school completed, with a minimum of \$50,000 distributed to each of 50 States and the District of Columbia and 2 percent (\$500,000) reserved for distribution to the outlying parts.

Grants under this part may be used in accordance with regulation of the Director to—

1. Assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, to—

(a) Demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such adults;

(b) Stimulate the development of local educational agency programs for instruction of such adults in such schools or other facilities; and

(c) Acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

2. Assist in meeting the cost of local educational agency programs for instruction of such adults in such schools or other facilities; and

3. Assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

The part provides for administration of the program by the appropriate State educational agency subject to a program plan approved by the Director to assure that the funds are expended in the furtherance of the purposes of the bill. This program will be administered by the Office of Education of the Department of Health, Education, and Welfare on behalf of the Director. Any State plan may be approved which—

1. Provides for administration by the State educational agency;

2. Provides for reports to enable the Director to carry out his duties under the part;

3. Provides for fiscal control and fund accounting procedures of the Federal funds paid to the State;

4. Provides for cooperative arrangement between the State with the State health authority for health information and service so that the adult enrollees will be enabled to benefit from the instruction provided; and

5. Sets forth a program which affords assurance of substantial progress toward raising the level of education of adults and toward the elimination of the inability of adults to read and write English.

The part provides for judicial review of any action on the part of the Director in failing to approve a plan or for withholding funds to a State.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

The purpose of part A of title III is to meet some of the special problems of rural poverty by raising and maintaining the income and living standards of low-income rural families. About one-half of the Nation's poor live in rural areas and an estimated 1.5 million families living on farms are classified as in the poverty group.

One million of these families are headed by individuals too old, poorly educated, or physically handicapped to transfer into any occupation other than subsistence farming. Of these 1 million



"boxed-in" farm families, 343,000 are headed by individuals 65 years or older; 505,000 by individuals 45 to 64 years old, the majority of whom have less than 8 years of schooling; and 152,000 by individuals between 25 and 44 years of age with less than an eighth-grade education. Given the requirements and exigencies of the present-day employment market, it is impractical to attempt to retrain the vast majority of these for other occupations.

Many of them can, however, be rehabilitated in place, on the farm, if they are assisted to improve their farming operations enough for them to raise their incomes and maintain a minimal standard of living. The alternative to this kind of assistance is either the continued financial, physical, and spiritual erosion of large numbers of desperately poor farm families in the areas where they live or their forced relocation to towns and cities in search of a living, which they are unlikely to be able to find except through welfare payments made by public or private agencies.

At present, the majority of "boxed-in" farm family operators do not have access to Government credit programs, are not eligible for welfare-type assistance provided through existing agencies, and cannot qualify for or participate in retraining activities aimed at upgrading their skills.

The part would authorize a program uniquely designed to bring practical, income-creating assistance to these poor farmers for the first time. Assistance under this part will be provided to families whose entire income is derived from agricultural production as well as other farm families who receive income from nonfarm sources.

Section 302 authorizes grants of up to \$1,500 to low-income rural families who presently have little or no debt-paying ability. Grants could be used to acquire and improve real estate, reduce encumbrances, operate or improve the operations of farms, purchase memberships in cooperatives, and finance nonagricultural enterprises that supplement farm income. However it is the committee's intention that there would be only one grant per family. This section also authorizes loans to these families of up to \$2,500 for financing agricultural and nonagricultural enterprises that supplement their incomes from farming.

The purpose of individual farm grants is specifically to raise the capacity of the recipient, and of his farming unit, to produce and maintain a higher income, thus generating a modest increase in the family's living standard plus some improvement in the farm's financial structure. It is expected that in the majority of cases the farmer then will be able to meet his future capital needs through existing credit sources. Grants authorized under section 302 are in no way to be considered welfare payments that simply supplement the present income of poor farm families. A grant would be made only after it is determined an applicant cannot finance part or all of the required farm improvement, development, or enlargement through existing loan programs of the Department of Agriculture, and that such a grant will enable him to raise and maintain his income and living standards.

The Director will delegate authority for administering grants under section 302 to the Secretary of Agriculture, who in turn will assign responsibility to Farmers Home Administration. This agency has an extensive field staff serving all rural counties in the United States.

The agency will determine (1) what resources are available to the applicant, (2) the practical farming and family living goals to be attained, (3) required amount of capital to reach these goals, and (4) amount of this capital that can be provided either through the applicant's own resources or through a loan from the Department of Agriculture. A grant would then be provided to make up the difference between the amount of capital an applicant requires to reach a practical income goal and the amount that cannot be provided through the resources he has, plus credit he may be able to obtain. It is expected that most grants will be accompanied by loans, since farm improvements to be financed through the grant will in themselves generate debt-paying ability on the part of the recipient.

Such a program of grants or grants and loans to poor farmers for agricultural production will not worsen the problem of farm surpluses. These farmers at present produce an insignificant amount of farm commodities in surplus, well under 1 percent of total national production. Most of the additional production financed by grants or a combination of grants and loans will be used on the farms of recipients or sold in local neighborhood and area markets. In general, this production will consist of livestock and livestock products, poultry and eggs, and garden vegetables. Although the market for such products fluctuates, none of these items is considered surplus crops requiring allotments.

Loans and grants to finance nonagricultural enterprises will provide an additional source of income to supplement earnings received by families from their farming operations. In some cases, it is not feasible to attempt to generate badly needed additional family income through agricultural enterprises alone. Simple equipment for a non-agricultural enterprise, such as timber felling equipment, tools and supplies required in guiding hunters and fishermen, capital items for an on-farm machinery repair shop, and similar tools and equipment, may thus be the only key to greater income-earning capacity.

Before making a loan or grant for a nonfarm enterprise it is understood, however, that the Farmers Home Administration will fully determine whether the applicant is capable of operating the enterprise or of obtaining training for this purpose and whether the planned enterprise will provide goods or services needed in the community and not now being supplied by others.

All families receiving a grant or grant-loan combination will be provided with intensive supervision in the management of their farm and financial resources through the Farmers Home Administration.

The objective of section 302 is not only to improve a farm family's income but also to upgrade their earning potential and ability to manage the resources available to them. Supervision will be a key feature of the program. The Director, through the Farmers Home Administration, will require that all grants or grant and loan combinations be based on a businesslike and practical farm and home development plan indicating income and production goals and how these will be attained. Funds made available to families benefiting from the program will be in a joint account, under the joint control of the family and the Farmers Home Administration, which may at its discretion deny specific expenditures.

Section 303(a) provides for the organization and financing of family farm development corporations which will enable farm families that



have few, if any, financial resources to become owners and operators of family-size farming units.

The Nation's poorest farm families are being pushed completely out of the present intense competition for land. These families cannot afford to buy good farmland at current prices, since these prices reflect not only the value of the land for farming purposes but also the present speculation in land. Sharecroppers, tenants displaced by machinery, farm laborers, and younger farmers have little savings. They are unable to make the downpayment on farmland covering the difference between its normal value for farming and its market value, then finance the rest of the price with a real estate loan.

This section authorizes a direct assault on this key modern agricultural problem. It would set up a program of loans and grants to State and local nonprofit public and private corporations which would enable them to purchase on the open market and then resell farmland to low-income family farmers. These farmers then could become owners and operators of their own farms.

The corporation would buy land at the going market rate, then sell it to family farmers at its normal or appraised value. Any loss to the corporation would be made up through a grant from the Director.

This section authorizes the land purchase corporations to acquire real property, reconstitute such real property into units not larger than family farms, pay all necessary development costs to make the units viable farms, and sell them to families at a price that reflects their value for agricultural purposes. The section also authorizes the corporations to buy and subdivide large farms or estates into family-size units, pay necessary development costs and resell the units to families. The corporations also may acquire parcels of land for resale to families on undersize farms requiring additional acreage to make up an efficient unit. In the latter case, it is expected, few if any development costs will be involved.

Wherever possible and practical, the Director should utilize the resources of other programs administered by him and encourage other Federal and State agencies to make available equipment and personnel to perform farm development work for the corporations on a non-reimbursable basis.

It is recognized that most families benefiting from the program authorized by section 303 will obtain farms at a cost well below the present market price, for this is the purpose of the section. Some purchasers might be tempted to try to secure a windfall profit by immediately reselling the unit purchased from a corporation to another buyer at the higher market price. To eliminate this possibility, section 303(a) states that for 20 years from the date of sale by the corporation, upon any resale of the farm, any amount obtained over and above the original appraised value of the unit plus subsequent development costs will revert to the corporation.

Section 303(b) permits the Director through his delegate agency to prescribe rules and regulations for administering the corporations. This authority would include periodic review of corporation business to assure conformance with standards established by the Director and any further actions necessary to the proper and efficient operation of the corporation in keeping with the objectives of the title. Under no circumstances will corporations utilize funds made available under section 303(a) to inaugurate any form of corporate or cooperative farming ventures.



No Federal agency is authorized to purchase land under section 303 (b) and (c), nor will any public or private corporation participating in the land purchase program under section 303 have condemnation rights of any kind. Land purchased will be that available on the market and will be bought and sold as a private transaction.

There is a serious problem in U.S. agriculture of certain crops being in surplus supply. The program authorized under section 303 can be expected to lessen this problem somewhat. If land resources cannot be obtained by family-size farmers, these resources will be utilized instead by large corporate-type operators who have a history of producing crops presently in long supply. Such operators, producing for maximum returns and highly capitalized, are less likely than are family farmers to practice the diversified farming and soil-conserving techniques which can lead to better management of the national supply of farm products.

Section 304 authorizes loans to local cooperatives furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

It is recognized that in many areas existing cooperatives serve farm families at all levels of income. It is also recognized that credit provided through the banks for cooperatives of the Farm Credit System has been of tremendous importance in financing the excellent structure of cooperatives which have been so useful and beneficial to farm families and U.S. agriculture generally.

Nevertheless, the committee believes there is a real need for supplementary financing flexible enough to help establish new cooperatives and finance existing cooperatives that serve mainly poor farm families. In their initial stages at least, such cooperatives involve high-risk investment and would not normally be considered eligible for a loan from the banks for cooperatives. In general, credit from the banks for cooperatives is made available only to cooperatives in which the membership have or are able to make a significant equity investment. In addition, the banks do not normally make loans to small local cooperatives made up of poor farmers when financing such cooperatives would involve a necessarily large risk. Part of the capital of banks for cooperatives comes from private investors and farmer members of cooperatives. Therefore, investments of the banks must meet normal standards of the credit market. Most new cooperatives made up mainly of low income and subsistence farm and other rural people cannot meet these standards.

Cooperative marketing and purchasing can be of special benefit to poor farm and other rural families who desperately need the savings and services that would be provided. No rural family living in poverty should be denied access to this efficient, democratic, and beneficial method of supplying the necessities of family living and farm marketing simply because initial capitalization is unavailable. Where such capitalization cannot be provided through existing credit programs, loans authorized under section 304 would be available.

It is recognized that the majority of the new cooperatives financed under section 304 will be small, unable at the outset to afford the necessary top-level management, and have little membership equity. Certain provisions therefore will need to be made to minimize the risk involved. The Farmers Home Administration will provide continuing and intensive technical and management guidance in the early

stages of the cooperatives financed. In this activity, he also will have the close cooperation of the Farmer Cooperative Service and be able to call on the resources of the Service. In addition, grants will be available under section 302(a)(1)(C) to individual farm families to buy equity shares in cooperatives, thus providing an additional source of financing.

Section 306(d) states that loans made pursuant to sections 302, 303, and 304 will bear an interest rate determined by the Secretary of the Treasury. In making this determination the Secretary will consider average market yield on outstanding Treasury obligations of comparable maturity, plus additional charges for certain administrative costs the Director decides are appropriate. However, since the part is aimed at providing special assistance for the poorest rural families it is the committee's intent regarding interest charges on loans made under sections 302, 303, and 304 that borrowers have the benefit of the most favorable possible interest rate.

Section 306(f) expressly denies loan assistance to cooperatives or corporations engaged in the production of agricultural commodities or established for manufacturing purposes. However, the term "manufacturing" does not include processing, canning, packing, and other appropriate handling of farm products by members of a cooperative. It is the committee's intention that such services may be performed by cooperatives receiving loan and technical assistance under section 304.

In order to clarify the meaning of terms used in this part, it is the committee's desire that the definitions of the Farmers Home Administration apply to the provisions of part A of title III.

*Family farm and family farming operation* are defined in FHA Instructions, 441.1 (Aug. 12, 1963) and 443.1 (Oct. 24, 1962). A family farm is one "for which the management of the farm is furnished by the operator and his immediate family and for which the labor is furnished primarily by the operator and his immediate family."

*Low-income farm family eligibility for a grant:* Families desiring assistance under the programs authorized by part A of title III of the proposed Economic Opportunity Act of 1964 would be required to file a formal application with local offices of the Farmers Home Administration. County FHA committees appointed under the Consolidated Farmers Home Administration Act of 1961, as amended, would determine the eligibility of each applicant under the authorities contained in the Economic Opportunity Act of 1964. To be eligible, each applicant must (a) be the operator of not larger than a family farm; (b) be an individual who has sufficient experience or training to assure reasonable prospects of success in the farming operation and nonagricultural enterprise in connection with which the loan or loan and grant will be made; (c) possess the character, ability, and industry necessary to carry out the proposed operations and, in the opinion of the committee, will honestly endeavor to carry out the undertakings required of him in connection with the grant or loan and grant; (d) be unable to obtain the credit or grant assistance requested elsewhere to meet his actual needs; (e) be unable, because of inadequate resources or causes beyond his control, to produce sufficient farm income, together with off-farm income, to meet operating expenses, essential debt payments and maintain a satisfactory standard of living; and (f) have reasonable prospects, with the assistance of a grant or loan



and grant, of increasing his income sufficiently to improve substantially the family's standard of living.

If the grant or loan and grant for which the applicant is applying under part A of title III of the Economic Opportunity Act of 1964 is to be utilized in connection with other loan programs administered by the Farmers Home Administration, the applicant must likewise meet the eligibility requirements for such loans.

*A family not qualified presently to obtain a loan from FHA* is defined in FHA Instruction 441.1, under which the agency is authorized to approve an operating loan "only if it is sound and can be repaid from income." Instruction 443.1 states that the FHA approving official must determine whether the "proposed loan is sound and security is adequate."

*FHA Instruction 431.1* directs that all FHA loans will be based on a farm and home plan that projects potential income and debt-paying ability. The plan, prepared prior to loan approval, indicates whether or not the applicant is eligible and can repay the loan.

*Nonfarm enterprise*, definition, and administration of authority: The authority contained in section 302 of the proposed act would be utilized to assist farm families in supplementing their farm income where feasible by financing the development of nonfarm enterprises that are needed in the community. Examples of such enterprises are portable feed grinders, chain saws for timber work, farm machinery repair shops, portable painting outfits for painting farm buildings, laundry and sewing facilities, and custom agricultural services such as land preparation, harvesting, and processing facilities.

The approach in determining the use of this authority would be as follows: The county supervisor with the family would first analyze the uses that might be made of the family's agricultural resources and abilities in improving their income and level of living from farm income where this could be accomplished through the use of loans or loans and grants. If sufficient income could not be developed through the use of the farm resources, consideration would then be given to the opportunity for adding a nonfarm enterprise to supplement the farm income. A budget would be developed for both the farm and nonfarm enterprises, and where the needed resources could be provided through the use of a loan, a loan only would be made. If such resources could not be provided within the family's debt-paying ability with a loan, then consideration would be given to whether a part of the needed resources could be provided with a grant. The same formula set forth above for determining whether a grant would be made in connection with the farming operation would be applied for the nonfarm enterprise.

*FHA Instruction 441.1* defines which farmers in the low-income category presently can qualify for an operating loan. To qualify an individual must be an *established farmer*. The latter term is defined in FHA Bulletin 1494 (441) January 8, 1964; operator must be farm oriented, have a farm background, and be producing some agricultural commodities for sale. This definition also would be used in administering the grant program.

#### *Assistance for migrant agricultural employees and their families*

Few problems in American society have persisted so stubbornly as those of the people who live on and from the land: Working farmers, farmworkers, and migrants. Poverty and endemic unemployment,



with their attendant conditions of poor health and housing, child labor, and meager education, have been discovered and publicized, but more lamented than changed. An estimated 150 attempts in this century to improve these conditions by legislation and administrative action have resulted in scant progress.

Migrant farmworkers have neither economic nor political power. They are unorganized and must rely on friends to speak for them. Most often they are disfranchised by race, by lack of permanent residence, by poverty and ignorance.

The average total income for all farmworkers (excluding casual workers employed for less than 25 days) has varied little in the past 3 years. Their income from both farm and nonfarm work was \$1,125 in 1960, in 1961 it had dropped to \$1,054, and it rose again to \$1,164 in 1962. The average earnings of migrants in 1962 were \$874 from farmwork, and \$1,123 if nonfarm work is included.

Unemployment and underemployment are increasing due to agriculture's irregular and seasonal labor requirements, the spread of mechanization, and greater use of chemicals to control weed growth. The average number of days worked in agriculture by all farmworkers in 1962 was 137, and by migrants 116. Much of this enforced idleness—waiting for a crop to ripen or for the rain to stop—takes place away from home where leisure cannot be put to productive or personal use.

Farm labor families are plagued by poor health, and by diseases related to poor diet and unsanitary living and working conditions. Their work is frequently hazardous, and agriculture usually ranks as the third or fourth most dangerous occupation in terms of job-connected accidents.

Because of low family incomes, hundreds of thousands of children, many of them not yet teenagers, work in the fields, often on days when they should be in school.

The amount of time spent in travel and away from home cuts into schoolwork, too. It is no wonder that the children of migrant workers are often years behind their normal grade. Thus they lose out on their education and training that could prepare them for other occupations and for a better livelihood than that of their parents. Farmworkers are the only group whose educational achievements have not advanced in the past 20 years. The median of years in school completed by male farm laborers 18 years of age and over was 7.6 years in 1940 and only 7.7 years in 1959.

Farm housing varies. But much of it lacks one or more of the conveniences long taken for granted in most American homes: Electricity, heat, ventilation, hot and cold running water, sanitary facilities.

The vast scope of these problems requires the committee to initiate a Federal program to combat these deprivations suffered by migrant agricultural employees and their families. To achieve this goal, the committee has given broad authority to the Director to develop and implement programs to assist the States, political subdivisions of the States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance to migrant agricultural employees and their families in the areas of education, day care of children, housing and sanitation.

In authorizing part B of title III the committee incorporated the substance of four Senate bills. Three of these have been passed by that body: S. 521 (education), S. 522 (day care of children), and S. 526 (sanitation). The other is S. 981 (housing).

The committee concurs in the Senate approved provision of S. 521 which defines the term "migrant agricultural employee" as an individual—

(a) whose primary employment is in agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)), or performing agricultural labor, as defined in section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(g)), on a seasonal or other temporary basis, and

(b) who establishes with his family for the purpose of such employment a temporary residence.

It should be noted that favorable views on this type of legislation were given during Senate consideration of these bills.

Regarding S. 521 supporting testimony was presented by organizations and individuals with knowledge of the educational problems of migratory farm families. Included among these were the following: Minnesota Governor's Farm and Migratory Labor Advisory Committee, Nebraska Governor's Committee on Migratory Labor, Pennsylvania Citizens' Committee on Migrant Labor, Inc., Texas Committee on Migrant Farmworkers, Council of State Governments, American Parents Committee, Inc., Bishops' Committee for Migrant Workers, Bishops' Committee on the Spanish Speaking, California Farm Research and Legislative Committee Consumers' League of New Jersey, National Advisory Committee on Farm Labor, National Catholic Rural Life Conference, National Child Labor Committee, National Committee for the Day Care of Children, Inc., National Congress of Parents and Teachers, National Consumers League, National Council of Churches of Christ in the United States of America, National Council for the Spanish Speaking, National Education Association, National Farmers Union, Unitarian Fellowship for Social Justice, United Church of Christ, Council for Christian Social Action, Amalgamated Meat Cutters & Butcher Workmen of North America, AFL-CIO, AFL-CIO.

Relating to the need for day care services, favorable views on S. 522 were presented by the following organizations and individuals: American Parents Committee, National Farmers Union, American Public Health Association, Department of Rural Education, NEA, National Consumers League, Council of State Governments, National Catholic Rural Life Conference, California Farm Research and Legislation Committee; National Committee for the Day Care of Children, Inc.; National Child Labor Committee, Governor's Committee on Migratory Labor (Ohio), AFL-CIO, National Council for the Spanish Speaking, Amalgamated Meat Cutters & Butchers Workmen, National Council of the Churches of Christ, National Congress of Parents and Teachers, Consumers League of New Jersey, Unitarian Fellowship for Social Justice, National Advisory Committee on Farm Labor.

Favorable views were also presented on S. 526. The following organizations and individuals favored this type of legislation: Florida Fruit & Vegetable Association, American Public Health Association,



New Jersey Department of Health, Council of State Governments, National Catholic Rural Life Conference, National Consumers League, National Farmers Union, Governor's Committee on Migratory Labor (Ohio), National Committee for the Day Care of Children, Inc., National Child Labor Committee, National Council for the Spanish Speaking, National Council of the Churches of Christ, AFL-CIO, Department of Rural Education, NEA, Consumers League of New Jersey, Unitarian Fellowship for Social Justice, National Advisory Committee on Farm Labor.

In our present bill, H.R. 11377, a total of \$50 million in appropriations is authorized to carry out the programs provided for in title III. Of this amount the Director is authorized to utilize for the purposes of part B of that title an amount not to exceed \$15 million of funds appropriated for fiscal year 1965.

Section 311 authorizes grants, loans, and loan guarantees to public and nonprofit private agencies, and loans to private institutions, organizations, farm associations, and individuals to assist in the establishment and operation of programs to provide services and benefits to migrant agricultural employees and their families in specified program areas in which the needs of migrant labor are particularly great.

Examples of programs which might be assisted under section 311 would be: provision of education for children in migrant families; establishment and operation of day-care centers; field sanitation projects; provision of adequate farmworker housing facilities; demonstration projects in any of these areas to develop improved methods of meeting the needs of migratory families; and projects involving cooperation of agencies in more than one State to provide services and benefits in any of these areas particularly fitted to meet the needs of such families who travel from State to State.

The Director will promulgate regulations setting forth the conditions under which the financial assistance authorized in section 311 will be made available. Other departments and agencies will participate as appropriate in the implementation of this part.

#### TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

The purpose of title IV is to extend the war against poverty into a neglected sector of the economy by means of a new program of financial assistance to very small business concerns and to qualified persons seeking to establish such concerns. This program, which will be administered through the Small Business Administration, combines management training with loans extended through simplified procedures on liberal terms. It promises to furnish persons at the lower levels of the commercial structure with increased opportunities to become employed and, in the case of those who have the necessary aptitudes, to develop their potentials as businessmen.

Because they have ready access to private credit sources, larger firms are continuously strengthening and expanding their operations and providing steadily increasing job opportunities. Likewise some members of the small business community can increase their capacity to hire workers through assistance available under the regular business loan program of SBA authorized by section 7(a) of the Small Business Act. However, below this level are very small firms, multitudes of them in every large city, whose growth is stunted be-



cause they are unable to qualify for term loans from any source, public or private, under existing criteria. Similarly there are numerous persons with sound plans for the establishment of new small businesses who have been unable to attract financial backing.

The businesses to which title IV is directed are mostly retailers and service enterprises employing, say, three or fewer persons—luncheonettes, filling stations, drugstores, barbershops, delicatessens, beauty parlors, shoe repair establishments, furniture movers, cleaners and tailors, and the like. The inability of these businesses to obtain the credit required for growth has aggravated poverty conditions in countless neighborhoods. Taken in the aggregate, the employment potentials of this segment of the economy are substantial.

Title IV authorizes loans, not to exceed \$15,000, to strengthen these very small firms and to assist qualified persons seeking to establish such concerns. This, in itself, will tend to create new jobs for the unemployed. But equally important are the multiplier effects such loans should have in fostering small, family-type enterprises in poor communities, and in extending opportunity to men and women who have the desire and the qualifications to become self-employed and who, without this assistance, are candidates for poverty.

*Differences between title IV and section 7(a) of the Small Business Act*

The loan program authorized by title IV of the bill differs in many significant respects from the business loan program conducted by the Small Business Administration pursuant to section 7(a) of the Small Business Act. Title IV is tailored more closely to the special needs of very small businesses which presently operate at marginal levels. Loan maturities may, when necessary, be extended to 15 years so as to ease the burden on the borrower by permitting repayments to be made in small installments over a lengthy period of time. Provision is made for management training courses as an integral part of the loan program. Further, the Director is expressly authorized to defer payments on the principal of a loan for a grace period or to adopt any other measures necessary or appropriate to assist a hard-pressed borrower in meeting his obligations.

The credit criteria contemplated by title IV are more flexible than those generally followed under section 7(a) of the Small Business Act. For the protection of the Government's interest the Director may take whatever collateral is reasonably available and a lien will normally be secured on inventory, equipment, or other property purchased with the proceeds of a loan. But the success of these very small businesses depends largely on the character and ability of the borrower-proprietor. For this reason, the borrower's management ability, his earnings and credit record, the response he has shown in the past to financial obligations, and his prospects for success will all be considered in determining his credit worthiness.

In the case of a loan for the establishment of a new enterprise, the Director can depart from the "rule of thumb" generally followed by SBA in its regular business loan program, that the borrower must put up approximately half of the necessary money. A lesser contribution may be acceptable, especially where the incipient business holds promise of a livelihood for a number of persons in an impoverished area.

Because of such relaxed credit and collateral requirements title IV contains another important feature which is not to be found in section

7(a) of the Small Business Act. In effect, the latter section prohibits SBA from guaranteeing a private loan to a small business concern unless the lender is ready to accept at least 10 percent of the risk. Banks are reluctant to take such a risk on loans which do not meet their comparatively strict collateral standards. In order to induce their cooperation, and thus put private money to work for the benefit of very small enterprises, title IV authorizes the Director to guarantee the full amount of a loan.

*Relation between title IV and title II*

Another aspect of title IV which should be emphasized is that loans thereunder may be used by the Director as a means of furthering community action programs approved by him pursuant to title II. The small businessman can and must play a vital role in the development of community action programs. In turn, such programs necessarily must involve the strengthening and development of small businesses.

In testimony before the committee we learned that SBA has participated this year with elements of the community of Philadelphia in the development of what could be regarded as a prototype of the small business aspect of a community action program.

Recognizing the problems which confront a small business generally, meetings were held with representative local groups. These meetings resulted in the formation of a nonprofit corporation which assists SBA in providing management training courses, recruiting qualified persons to enter business, developing business opportunities, strengthening existing small businesses, and helping the very small businessman to secure the financing and credit assistance that he needs.

For this pilot project in the Philadelphia area, the Area Redevelopment Administration provided technical assistance funds while SBA concurrently offered a loan program designed to meet the needs of the very small businessman. The project was announced on January 28, 1964, and has been exceptionally well received. Within the ensuing 60 days, more than 1,100 interviews were conducted.

Under the Philadelphia pilot loan program, a small business may apply for a loan in an amount up to \$6,000 for a maximum term of 6 years.

As a result of this pilot program many large businesses of national stature have expressed their willingness to provide franchises within the Philadelphia area to qualified small businessmen. A number of civic-minded residents and corporations have volunteered supplemental funds, training facilities, curriculum development, and counsel to applicants in connection with the management training program.

With the broadened authority contained in title IV, the success of the Philadelphia pilot program can be multiplied in poor communities across the country.

**TITLE V—WORK EXPERIENCE PROGRAMS**

Title V builds upon the already successful experience of community work and training programs authorized by the 1962 amendments to the Social Security Act. This title proposes to provide greater opportunities to those not now reached by the existing programs. It is estimated that about 130,000 unemployed adults can be given useful



work experience and needed training during the first year. It has already been demonstrated that such persons can be rescued from the eroding consequences of unemployment and continuing dependency. Without work experience and training, existing work skills and work habits begin to deteriorate, dependency becomes more certain, and personal and family disintegration increases.

A promising attack on these interrelated problems began with a 1961 amendment to the Social Security Act authorizing Federal financial participation in assisting families with an unemployed, but employable, parent living at home. The following year the act was again amended to permit this assistance to be paid in form of wages for work or training in special programs.

Thirteen of the 18 States which have expanded their aid to families of dependent children (AFDC) program to include unemployed parents (AFDC-UP) have undertaken or are completing programs for such work and training programs. Experience so far has been highly rewarding. These programs have proved that welfare recipients welcome an opportunity to return to productive work or training. Moreover, these programs increase the employability of recipients while simultaneously benefiting the community where they reside.

The potentiality of the work experience program is supported by numerous examples described in testimony to the committee. For example, in West Virginia a statewide work training program has provided work to over 10,000 unemployed individuals each month. During the last 18 months, 6,700 welfare cases have been closed in West Virginia as regular employment developed for the relief recipients. And institutions across the State continue to request more work training participants than are available.

Abundant evidence also exists in case records of the value of work experience programs to the individuals involved. Four examples of former coal miners in a small rural county, described briefly in the following, provide a glimpse of the purely personal results which can be extended to tens of thousands.

Mr. C, a former coal miner, and a public assistance recipient for several years, was assigned to a community work and training project as a laborer for a small borough (population 1,500). Under instructive supervision, Mr. C became thoroughly familiar with the workings of the borough's water plant, and learned to operate all equipment used by the borough. He is now employed full time as a street commissioner, and incidentally, supervises an ongoing community work and training project in this town.

Mr. S, a coal miner, and a welfare recipient of several years, was assigned as a truckdriver's assistant for a small borough (population 1,200). As a result of his experience with the borough's equipment and his knowledge of the job to be done, he has been hired as a part-time street commissioner, and although his income is partially supplemented by public assistance, he is on his way to full financial independence.

Mr. C. S., a 59-year-old unemployed coal miner, was assigned as a laborer to a borough's swimming pool and community park. Under instructive supervision, he soon learned the operations and maintenance of the swimming



pool's filtration plant and has been permanently hired by this community. At the present time, he also supervises an ongoing community work and training project.

Mr. B, an unemployed coal miner, was assigned part time to a small borough to operate a truck with a snowplow attachment. He progressed so well under proper instructive supervision on the job, that he has now been hired full time.

Successes such as these and the accompanying effects on welfare caseloads have insured warm public reaction to the program. Mr. J. M. Wedemeyer, the director of the California State Social Welfare Department, in a report to the committee commented as follows:

No effort launched in the welfare field for achieving constructive results has had as favorable impression publicly as the adoption of the work experience and training program. The recipients as well have responded favorably. There has been good support in California for the community work and training program in spite of problems created by shortage of funds for some purposes and of staff, and an urgency to have the program in operation as soon as possible.

News stories and editorials throughout the State furnished the committee attest to the accuracy of the above appraisal.

The way in which this title can be used to spur initiative has been dramatically demonstrated in the State of Kentucky. In November 1963, Kentucky sought a grant from HEW to enable it to initiate a small pilot program under which AFDC would be extended to families with unemployed fathers and a community work and training program would be initiated. In December, a grant was approved under which HEW would underwrite, until the end of the State's current fiscal year, the total cost of an AFDC-UP pilot program in seven eastern counties. The grant was made in January. Rapid progress and full public acceptance led the legislature in February to authorize the expansion of the program to 39 hard-hit east Kentucky counties at the beginning of its fiscal year and to the entire State 1 year hence. Thus a small grant to finance a pilot program can rapidly lead to a statewide program.

In order to extend present programs and to stimulate the adoption by other States of constructive work or training programs which will help unemployed fathers and other needy persons to transfer from welfare rolls to payrolls a four-part program is proposed. These will utilize the existing framework of experimental pilot or demonstration projects authorized by section 1115 of the Social Security Act.

1. Extension of AFDC-UP and work and training programs to more families: In addition to the 18 States whose programs of aid to families with dependent children include families with an unemployed parent, 10 States are actively considering the establishment of such programs. But many of the 18 States which now have AFDC-UP programs limit their effectiveness and scope by using restrictive definitions of unemployment, need, or residence and there are 22 States in which nothing has been done. In all of the States there are substantial members of families—a total of almost 300,000 involving nearly 1.6 million persons—in which the father is unemployed and which are not receiving adequate assistance and training.

This situation permits the disintegration of many families, the withdrawal of many children from school, and the reinforcement of a pattern of poverty for many of this Nation's citizens. Accordingly, title V has been designed to encourage the expansion of existing programs, the establishment of new AFDC-UP programs, and the inclusion of work and training programs on a pilot basis where they do not now exist.

It is estimated that approximately 80,000 unemployed fathers who are not now receiving public assistance can be reached during the first year of an expanded program. Since the average family receiving AFDC-UP contains 5.7 people, this part of the program alone will directly affect some 456,000 people.

2. Extension of work and training programs to more families now receiving AFDC-UP: An estimated 35,000 able-bodied fathers are now receiving public assistance while what skills they have wither from disuse, while technological change renders even those skills obsolete, and while pride and self-respect become luxuries which can no longer be afforded.

In order to avoid the perpetuation of this waste, the Department of Health, Education, and Welfare would also underwrite pilot efforts to stimulate the adoption of work and training programs in connection with public assistance. It is estimated that approximately 20,000 families or a total of 114,000 people at an average family size of 5.7, could be reached during the first year in an expanded program.

3. Provision of training of AFDC mothers: A majority of the families in the AFDC program are headed by women. The father is absent, dead, or incapacitated. Of the over 700,000 women heading families receiving AFDC, about 14 percent are now employed and another 13 percent, or approximately 100,000 could work if employment were available. Many more would seek employment if adequate day-care facilities were available. Moreover, less than one-third of the AFDC mothers have more than an elementary school education, and their children will almost inevitably suffer from such a home environment. These mothers (primarily those with older children for whom day-care arrangements can be made) would benefit both themselves and their children if they were to receive basic education and training. In addition to enhancing their prospects for employment, such training has proved its value in strengthening the family situation and making possible progress for the children.

It is estimated that during the first year of this program, about 30,000 of the 100,000 mothers seeking employment could be given basic literacy education and vocational training. Since the average size of an AFDC family headed by a female is 3.9 people, this would affect some 117,000 people.

4. Provision for work experience and needed training for other needy persons: The need to provide constructive work experience and other needed training is substantially broader than can be met by the unemployed parent program (AFDC-UP) alone. Therefore, it is intended through title V to make the work experience programs available to other needy persons to the maximum extent feasible. Thus, there are a large number of persons now on general assistance or otherwise poverty stricken who would benefit from such programs and it is the committee's intent that these programs be designed so that they may be included.



The bill provides that the title V programs be conducted in accordance with the provisions of section 1115 of the Social Security Act which authorizes payments for experimental, pilot or demonstration projects. Among other things, this section permits waiving of certain other requirements of the Social Security Act. In so doing, however, the committee provided in the bill that certain of the restrictions which now apply to community work training programs as contained in section 409(a), (1) through (6), of the act should continue to apply to those projects established under title V. The main text of section 409(a) is not included in this reservation. This will insure the application of important safeguards which were carefully worked out by Congress in its previous amendments of the Social Security Act and yet will permit the additional flexibility required for the stimulation of new programs to the extent necessary including costs of additional equipment, supervision, and other costs which now have to be borne by the States, localities, or recipients. Experience has shown that these extra costs, more than anything else, have prevented the full development of the program's potential.

There appear to be abundant opportunities for establishing work training programs that are useful to the recipients and of great value to the communities. Mr. Wedemeyer in his report noted the wide use of maintenance-type projects such as road repair, landscaping, etc. These can be established easily and the needs are great. But he also drew attention to other possibilities as follows:

Greatest potential for training seems to be in the service lines of work. Hospitals, nursing homes, boarding homes, and child care centers are crying for aids, orderlies, and assistants. With 3 to 6 months of training, welfare recipients can fill these demands in their communities and get themselves off the relief rolls.

The motel and hotel industry also needs a worker reservoir to draw upon. It's surprising how a few basic instructions, plus some tips on good personal grooming and building one's self-confidence can pay off—pay off in tax dollar savings, not to mention human salvage.

Another promising area for work training programs is recreation development—park and playground building. More and more communities are faced with a booming demand for recreation facilities. However, county budgets are limited in the funds which can go for these works. Under this new program, communities can use welfare manpower to do the job. Interestingly enough, many welfare-trained workers end up qualifying for permanent civil service positions, and are regarded by their supervisors as good employees.

The title makes explicit reference to the necessity for utilizing to the maximum degree these already existing programs. This simply reinforces the complementarity which is expected to prevail in practice.

Although the Manpower Development Training Act program has been modified so as to insure that more of the trainees will come from the ranks of the hardcore unemployed, not all of these will be able to qualify for these regular training programs. Many in the lower ranks of the unemployed do not have sufficient aptitude, awareness, or con-



fidence to be able to enter directly into training programs. They must be reached by other means, most effective of which is the mechanism of public assistance. It is expected that programs combining constructive work and training through public assistance channels will serve as an effective device for reaching more of the unskilled unemployed and thereby preserving their basic work skills and initiatives. Some of those selected through this mechanism will enter MDTA programs immediately as has been the experience already. Others will need to be given experience and confidence before they can qualify for such training. Still others may be assisted in entering the labor force directly, once again.

The committee recognizes that the unemployed have diverse needs and abilities and to rescue as many of them as we can from continuing unemployment requires a variety of approaches and programs. Above all, the Economic Opportunity Act is designed to insure coordination of all aspects of our attack on poverty. There is every reason therefore, for expecting this tool to be used effectively in combination with others designed for the needs of some of the unemployed.

#### TITLE VI—ADMINISTRATION AND COORDINATION

Title VI establishes the Office of Economic Opportunity in the Executive Office of the President. The Office of Economic Opportunity would be headed by a Director, who would be appointed by the President by and with the advice and consent of the Senate. Authority to carry out the programs which would be created by the bill would be in the Director. The Director would be authorized, with the approval of the President, to delegate any of his powers under the bill. In line with this concept, the committee specifically provided language to insure the fullest utilization of all existing Federal agencies in carrying out the purposes of this act. It is, therefore, contemplated that the Director will coordinate the administration of the various programs so that the Department of Health, Education, and Welfare will be utilized in the execution of title I, part C, work-study programs, title II, part B, adult basic education program, and title V, work experience programs; the Department of Labor will be utilized for title I, part B, work-training programs; the Department of Agriculture will be utilized for title III, part A, special program to combat poverty in rural areas; and the Small Business Administration will be utilized in the administration of title IV, employment and investment incentives. The Office of Economic Opportunity will administer the other programs authorized by the bill.

Section 611 contains provisions designed to assure that all Federal programs related to the purposes of the bill are carried out in a coordinated manner. The Director is authorized to assist the President in coordinating the antipoverty efforts of all Federal agencies. Federal agencies which are engaged in administering programs related to the purposes of the bill shall cooperate with the Director in carrying out his responsibilities under the bill and shall carry out their programs and exercise their functions so as, to the maximum extent permitted by other applicable law, to assist in carrying out the purposes of the bill. The President may direct that other Federal agencies carry out their programs, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under

the bill. Preference is to be given in the carrying out of programs created under the bill or programs of other agencies, to the extent consistent with other applicable law, to applications for assistance or benefits in programs or projects which will be components of community action programs approved under title II, part A. And the bill would establish an Economic Opportunity Council, made up of the heads of relevant Federal agencies, which will consult with and advise the Director in carrying out his functions.

Section 607 provides that all laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating of projects, buildings and works which are federally assisted under any title of this act shall be paid at rates determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

Title VI also authorizes the Director to collect and distribute to public officials and other interested persons information concerning all Federal programs related to the purposes of the bill. This would permit the operation of a "one-stop" source of information about Federal programs related to the war on poverty.

#### *Volunteers in Service to America—VISTA*

The VISTA program authorized by section 603 finds its origins in both the Peace Corps Act, enacted in 1961, and the National Service Corps bill (H.R. 5625) which has been reported out by this committee. However, there are important improvements which have been made by making VISTA volunteers a part of the war on poverty. VISTA volunteers are now closely keyed into the overall antipoverty effort. They will participate in the job corps, work-training, and community action programs as aids, teachers, counselors, and advisers. They will assist in carrying out other Government programs on Indian reservations and in the trust territories. And they can be assigned, on request, to State and local agencies working on problems of poverty.

The committee has found an intense spirit of service throughout the United States, as demonstrated by the thousands of ongoing volunteer programs in the United States and by the tremendous response to the call for full-time volunteer service in the Peace Corps. The committee has also found a pressing need to stimulate still greater volunteer activity throughout the United States to provide the manpower and skills required if the war on poverty is to be won. The committee further finds that the public and social service agencies believe that a nationally sponsored program for full-time volunteer service will afford an effective means of stimulating greater volunteer activities at all levels, both full time and part time, and will encourage more young men and women to pursue the helping professions as a career. In addition, these volunteers will, in the judgment of the committee, make material contributions by their own efforts toward the elimination of the causes and effects of poverty.

Based upon these findings, the committee has adopted section 603 and the VISTA program which it authorizes. The committee determined to change the name of this program from that proposed—Volunteers for America—to VISTA because the former name appeared likely to cause some confusion with the highly regarded "Volunteers of America." In the new name, the committee has selected a word, VISTA, which summarizes the potential of all of the antipoverty



activities authorized by this legislation. It is the concept of a great new vista, free of poverty, which the Economic Opportunity Act seeks for all Americans.

Section 603 authorizes the Director to recruit, select, and train individuals who volunteer their services full time for a period, normally 1 year, in alleviating human need. Once trained and selected for service, volunteers may be referred, pursuant to subsection (a)(1), to perform duties in furtherance of programs combating poverty at a State or local level, or assigned, pursuant to subsection (a)(2), to work in various activities which have a relationship to the responsibilities of the Federal Government. Whether referred or assigned, all volunteers will be working as part of a single effort to eliminate the causes and effects of poverty and will be recognized as members of a single VISTA team.

Under subsection (a)(1), the Director of the Office of Economic Opportunity will refer volunteers, upon request of State or local governmental agencies or private nonprofit organizations, to perform duties in furtherance of programs combating poverty at a State or local level. VISTA will serve as a national clearinghouse for volunteers matching available skills with the manpower needs of local and State areas. Volunteers may be referred to perform duties of any type in any area so long as they will be engaged in combating poverty and so long as they are referred in response to an appropriate request. The direct financial responsibility of VISTA will terminate upon the completion of the training and referral of volunteers pursuant to this subsection. The subsistence, allowances, medical care, stipend, etc., necessary for the maintenance of the volunteers following their referral must be arranged for by the agency or organization to which they have been referred. The committee anticipates that the necessary funds will be available under State or local government appropriations, from foundation grants, and, where the volunteer activities are part of a community action project, under the appropriations provided for in title II of this act. For example, the committee is informed that the State of Connecticut is conducting this summer, for the second year, a program for the use of full-time volunteers in working with institutionalized mental patients at residential camps. Funds for maintenance of the volunteers have been appropriated by the State legislature. Under the Economic Opportunity Act, VISTA could refer volunteers to the State of Connecticut for participation in this program, provided their activities would be directed toward the combating of poverty.

Under subsection (a)(2), the Director is authorized to assign volunteers to work in the following fields of activity:

(A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands;

(B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and

(C) in furtherance of programs or activities authorized or supported under titles I and II of this Act.



The committee has provided that VISTA will be responsible for the provision of subsistence, allowances, medical care, stipend, etc. (sec. 603(d)), of volunteers assigned to activities in these fields from the time of their assignment until the termination of their service. The undertaking of this responsibility is appropriate since the activities to which volunteers may be assigned are limited to fields in which the Federal Government has some responsibility. Where volunteers are assigned to work in programs being conducted by the Federal Government or its agencies, the committee intends that those agencies shall, wherever possible, meet the full costs, including stipend, of maintaining the volunteers.

The committee recognizes the fact that VISTA, under the bill, has a major responsibility to make volunteers available for work in Job Corps camps, in work-training and work-study programs and as part of community action projects. Further, the committee recognizes the importance of the role which VISTA volunteers will play in the activities and programs authorized by titles I and II. However, particularly during the initial period of operation authorized by this act, VISTA should avoid any tendency to commit all of its volunteers to these activities and programs. It is important that VISTA refer and assign volunteers to a variety of activities outside the programs authorized by titles I and II of this act, for it is only by that means that the Congress may determine the full potential of this program.

The committee recognizes that the congressional presentation suggests that VISTA will enroll approximately 5,000 volunteers by the end of the first year of operations. It has by design omitted any set maximum or minimum figure from the bill since, in its judgment, the number of volunteers will be determined by the number of well-qualified persons who seek to serve, by the number of well-conceived and qualified requests for volunteers received by VISTA, and by the budget appropriated by the Congress under this bill. In this connection, the committee notes that the National Service Corps study showed that a budget of \$5 million would support an enrollment of 1,000 volunteers by the end of the first year of operations. The stipend of VISTA volunteers is lower than that proposed for National Service Corpsmen and the costs to VISTA of volunteers referred pursuant to subsection (a)(1) are limited to recruitment, selection and training. These factors suggest that a budget of \$5 million will enable VISTA to enroll more than the 1,000 volunteers anticipated by the Service Corps. The committee, however, does not wish VISTA to sacrifice the quality of volunteers, volunteer training, or the care with which requests for volunteers are analyzed and selected in order to increase the number of enrolled volunteers by the end of the first fiscal year. The tasks to be performed by volunteers will be extremely difficult. They will require a high degree of motivation and personal stability. Quality of personnel will be of greater importance than quantity.

The committee intends that volunteers, whether assigned or referred, should go only where they are requested. The committee has made this explicit in subsection (a)(1), but it intends by the words "in cooperation with other Federal, State, or local agencies involved" in subsection (a)(2) that VISTA similarly act in response to an appro-

appropriate request in assigning volunteers. Requests for assignment of volunteers may be accepted from Federal, State, or local governmental agencies or from private nonprofit organizations.

In addition, as provided in subsection (b), volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor. Of course, the committee would hope that where corpsmen have been requested to work on an Indian reservation, in a Job Corps camp, or in a federally supported community action project, the Governors would readily agree to their participation.

Under subsection (c), volunteers during training and during assignment pursuant to subsection (a)(2) may receive a stipend not to exceed \$50 per month in addition to living, travel and leave allowances and such housing, transportation, supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs. The committee intends that the stipend shall be treated as a termination payment to be held for the volunteers until the completion of their service. However, where necessary, VISTA volunteers may request the Director to pay out their termination payment, monthly as earned, as allotments for legitimate purposes, e.g., payment of NDEA student loans, family assistance, etc. In no case, however, should the stipend be made available to the volunteers for personal expenses during their service since it is the committee's intention that the volunteers will maintain themselves generally at a subsistence level commensurate with their duties in the war against poverty. As part of the terms and conditions upon which volunteers are referred pursuant to subsection (b) of section 603, the Director should, wherever possible, make contractual arrangements for the receipt of volunteers of the \$50 stipend in addition, of course, to other allowances and supplies necessary to their maintenance.

The committee intends that volunteers will normally enroll for a 1-year term with an opportunity to reenroll for a second, and, in unusual cases, a third year. VISTA is given discretion to provide for a shorter term of service where this appears advisable for persons of professional skills, such as doctors, attorneys, master teachers, etc. Volunteers may serve in any particular task only so long as their presence is acceptable to the local community. The Director of the Office of Economic Opportunity may terminate the enrollment of any volunteer at any time.

The committee recognizes that the Peace Corps has developed a vast fund of experience and knowledge which will be valuable to VISTA in the development of its program. The volunteers to be recruited by VISTA will come from the same basic pool of talent which is attracted by the Peace Corps. Accordingly, the Peace Corps and VISTA should make every effort to cooperate in their recruiting activities.

The committee anticipates that VISTA volunteers will be drawn from all ages, 18 and over. VISTA should undertake to provide its volunteers with information to assist them in placing themselves in jobs commensurate with their skills and experience after their service as volunteers is completed. This is particularly true where volunteers will be drawn from the youth who have not held their first job and who will require advice and assistance in choosing a career. This will



also further one of VISTA's important objectives, achievement of an increase in the number of persons choosing careers in the helping professions. It is the committee's intention, of course, that the stipend or termination payment will afford a modest "nest egg" to enable volunteers to complete their readjustment to a career outside VISTA or to recommence their education.

TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

The public assistance titles of the Social Security Act generally require that the income and resources of the recipient be taken into account in determining need and the amount of the public assistance payment. The purpose of title VII is to exempt part or all of the earnings and certain other payments under the Economic Opportunity Act of 1964 from consideration as part of the income or resources of public assistance recipients.

However, if earnings and certain other payments under the various programs authorized by this bill are taken into account to the extent required by the Social Security Act, corresponding reductions would almost certainly be made in public assistance payments to the recipient families and individuals. This would have two undesirable results. Much of the motivation to participate in the programs created by this bill would be removed because families and individuals would receive no more income (or very little more) than they received under public assistance. And existing income from public assistance payments financed from Federal and State funds would simply be replaced by other payments, including a generally higher proportion of Federal funds, without any significant economic benefit to the individual.

Some exceptions are made in determining income and resources in the case of blind persons under title X or XVI of the Social Security Act, and for aged persons under title I or XVI, and for saving for future identifiable needs of children in the aid to families with dependent children program. But these exceptions would not cover many of the earnings and payments which will be made under this bill.

To avoid these results title VII provides that a State plan approved under title I, IV, X, XIV, or XVI of the Social Security Act must provide that the first \$85 of any payment made to or in behalf of any person under title I or II of this bill and one-half of the remainder of such payment shall be disregarded in determining need for public assistance. This portion of payment is not to be considered as income or resources of the individual receiving it in determining his need for public assistance and it is not to be regarded as income or resources for any member of his family or other person in determining that person's need for assistance. These provisions are essentially those which are now applied to earnings of blind persons under title X of the Social Security Act. In addition, no payment to an individual in excess of those excluded amounts may be counted as income and resources of another person unless it is actually made available to such person.

Title VII further provides that a grant made to any family under title III of this bill shall not be regarded as income or resources of the family in determining its need for public assistance.



Since some States would be required by their statutes to take into account payments made under this bill as income or resources of individuals receiving public assistance, the title provides that no State shall have funds withheld under the public assistance titles of the Social Security Act prior to July 1, 1965, because of action taken contrary to this title if such action is necessary to comply with the State's statutes.

## SECTION-BY-SECTION ANALYSIS

### *Section 1. Short title*

This section provides that the act may be cited as the "Economic Opportunity Act of 1964."

### *Section 2. Findings and declaration of purposes*

This section contains a congressional recognition that even though the economic well-being and prosperity of this Nation have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty is still the lot of a substantial number of the people of our Nation. It goes on to state that the United States can achieve its economic and social potential only if each person has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. Therefore, it is declared to be the policy of the United States to eliminate the paradox of poverty in the midst of plenty by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. The purpose of the act then is to strengthen, supplement, and coordinate efforts in the furtherance of that policy.

## TITLE I—YOUTH PROGRAMS

### PART A—JOB CORPS

#### *Section 101. Statement of purpose*

The purpose of this part is to prepare youths 16 through 21 years of age for the responsibilities of citizenship and to increase their employability by providing them in residential centers with education, vocational training, and useful work experience (including work directed toward the conservation of natural resources), and other appropriate activities. These residential centers will be located in both rural and urban areas.

#### *Section 102. Establishment of Job Corps*

This section creates in the Office of Economic Opportunity (created by section 601) a new organization to be known as the Job Corps.

#### *Section 103. Job Corps program*

This section authorizes the Director of the Office of Economic Opportunity (hereinafter referred to as the "Office") to enter into agreements with Federal, State, and local agencies and private organizations for the establishment and operation of conservation camps and training centers in both rural and urban areas. Included will be agreements with agencies charged with the responsibility, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, so that the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies,

programs planned and designed by such agencies to fulfill such responsibility. The agreements may also include those for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities.

The Director will also arrange for the provision of education and vocational training to enrollees in the corps. Where practicable, these programs may be provided through local public educational agencies or by private vocational educational agencies or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures.

The Director will also provide, or arrange for the provision of, programs of useful work experience and other appropriate activities for enrollees.

The Director will establish standards of safety and health for enrollees, furnish or arrange for furnishing them health services, and prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees, and to govern their conduct after enrollment.

#### *Section 104. Composition of the Corps*

This section provides that the Corps will be composed of young men and young women who must be permanent residents of the United States and must have attained age 16 but have not attained age 22 at the time of enrollment. They must also meet the additional standards for enrollment which are prescribed by the Director. It will be only in exceptional cases that enrollees of the Corps will be graduates of accredited high schools, and no person may be accepted for enrollment in the Corps unless the local school authorities have concluded that his further school attendance in any regular academic, vocational, or training program is not practicable. Participation as enrollee in the Corps will not relieve any enrollee of his obligations under the Universal Military Training and Service Act. At the time he enrolls as a member of the Corps an individual will be required to agree to comply with the rules and regulations promulgated by the Director for the government of the Corps.

The total period enrollment of any individual in the Corps will not exceed 2 years, except as the Director may determine in special cases.

#### *Section 105. Allowance and maintenance*

Enrollees in the Corps may be provided with living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as may be necessary or appropriate. Transportation and travel allowances may also be provided for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes. When he leaves the Corps, each enrollee will be entitled to receive a readjustment allowance at a rate which will not exceed \$50 for each month of satisfactory participation in the Corps. However, under special circumstances, the Director may pay a portion of an enrollee's readjustment allowance (not exceeding \$25 for each month of satisfactory service) during the period of his service directly to a member of his family, as defined in section 609(c). Any amount so paid will be supplemented by the payment of an equal amount to the member



by the Director. If an enrollee dies during his service, the unpaid readjustment allowance will be paid in accordance with the provisions of section 1 of the act of August 3, 1950.

*Section 106. Application of provisions of Federal law*

Subsection (a) of this section provides that, generally speaking, an enrollee is not to be considered a Federal employee and will not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employees' benefits. However, succeeding subsections provide a number of exceptions to this general rule.

Subsection (b) provides that enrollees will be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 and of title II of the Social Security Act, and goes on to provide that any service performed by an individual as an enrollee will be deemed to be performed by an employee of the United States for the purposes of those two acts.

Subsection (c) provides that enrollees will, for the purposes of the Federal Employees' Compensation Act, be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such act, and that the provisions of that act will apply to enrollees, except that the term "performance of duty" in that act will not include any act of an enrollee while he was on authorized leave or pass or absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps. Also, in computing compensation benefits for disability or death under that act, the monthly pay of an enrollee will be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of 21 the monthly pay will be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949, and section 6(d)(1) of the Federal Employees' Compensation Act will apply to enrollees. Compensation for disability under this provision will not begin to accrue until the day following the date upon which the enrollment of the injured enrollee is terminated.

An enrollee will not be deemed to be an employee of the Government for the purposes of the Federal Tort Claims Act. Personnel of the uniformed services who were assigned to duty in performance of the agreements made by the Director for the support of the Corps will not be counted in computing strengths under any law limiting the strength of such service or in computing the percentage authorized by law for any grade therein.

PART B—WORK-TRAINING PROGRAMS

*Section 111. Statement of purpose*

The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women through participation in State and community work-training programs. These programs are undertaken so that the employability of these youths may be increased or their education resumed or continued, and so that public agencies and private and nonprofit organizations will be enabled to carry our programs which will permit or contribute

to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

*Section 112. Development of programs*

This section directs the Director to assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities, which, whenever appropriate, will be coordinated with programs of training and education provided by local public educational agencies.

*Section 113. Financial assistance*

This section authorizes the Director to enter into agreements under which he will pay part or all of the cost of a State or local program if he determines that—

(1) enrollees in the program will be employed either on publicly owned and operated facilities or projects or on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of a facility used or to be used solely for sectarian instruction or as a place for religious worship.

(2) the program will increase the employability of enrollees by providing work experience and training in occupational skills or pursuits in classifications in which there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance.

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of the State or community recreational areas.

(4) the program will not displace employed workers or impair existing contracts for services.

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of relevant factors.

(6) to the maximum extent feasible the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in the program and sponsored by State or local public educational agencies. However, where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, and where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare.

(7) the program will include standards and procedures for the selection of applicants which assure full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

The Director will give priority to projects with high training potential.

*Section 114. Enrollees in programs*

Participation in these programs will be limited to young men and women who are permanent residents of the United States and have



attained the age of 16 but have not attained age 22. Enrollees will not be deemed to be Federal employees and will not be subject to the laws relating to Federal employment. Where appropriate, the Director may provide for testing, counseling, job development or referral services to youths through public agencies or private non-profit organizations.

*Section 115. Limitations on Federal assistance*

This section deals with Federal-State matching. For the first 2 years of the program the Federal contribution will not exceed 90 percent of the cost of the program. Thereafter the Federal contribution may not exceed 50 percent of such cost, unless the Director determines in accordance with objective criteria that assistance in excess of such percentages is required in the furtherance of the purposes of this part. The non-Federal contribution may be in cash or in kind.

*Section 116. Equitable distribution of assistance*

The Director will establish criteria for achieving an equitable distribution among the States of assistance under this part. In developing these criteria he will consider the ratios of population, unemployment, and family income levels. In no event may more than 12½ percent of the sums appropriated or allocated for any fiscal year to carry out the part be used within any one State.

PART C—WORK-STUDY PROGRAMS

*Section 121. Statement of purpose*

This section states that it is the purpose of the part to stimulate and promote part-time employment of college students who are from low-income families and need the earnings from the employment to pursue their college study.

*Section 122. Allotments to States*

This section describes the manner in which the funds which are available for making grants under this part will be allotted among the States. The allotments will be made in a combination of three different ways. First, one-third of the funds will be allotted among the States on the basis of the relative numbers of students enrolled in colleges on a full-time basis in the several States. Second, one-third of such funds will be allotted among the States on the basis of the relative numbers of high school graduates in the several States. For this purpose, the number of high school graduates in a State will be limited to the number who graduated in the most recent school year for which satisfactory data are available. Finally, one-third of the funds will be allotted on the basis of the relative numbers of children under 18 years of age who are living in families with annual incomes of less than \$3,000 in the several States.

The above formula will not apply in the case of Puerto Rico, Guam, American Samoa, and the Virgin Islands. Instead the Director will reserve up to 2 percent of the amount appropriated for allotment among these places.

The section provides for reallocation of funds which have not been granted an institution by the end of the fiscal year for which appropriated. The manner of the reallocation will be that which the Director determines will best assist in achieving the purposes of the act.



*Section 123. Grants for work-study programs*

This section contains the basic authority for the Director to enter into agreements with institutions of higher education under which he will make grants to such institutions to assist in the operation of work-study programs.

*Section 124. Conditions of agreements*

Agreements entered into under this section must meet several requirements. The first is that they must provide for the adoption by the institution of a program for the part-time employment of students. This employment may be by the institution itself, or it may be by a public or private nonprofit organization when the position is obtained through an arrangement between the institutions and such organization. The work for a public or private nonprofit organization qualifies, however, only if it is related to the student's educational objective, or is work which will be in the public interest and would not otherwise be provided, will not result in displacement of employed workers or impair existing contracts for services, and will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee. No work assisted under this part will involve the construction, operation, or maintenance of any facility used or to be used solely for sectarian instruction or as a place for religious worship.

The agreement must provide that the funds granted the institution will be used only for making payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 percent of the payments made by the Director to such institution for that part of the work-study program in which the students are working for public or nonprofit organizations rather than for the institution itself.

The agreements must provide that student participants meet certain requirements. Thus, each student must be from a low-income family, be in need of the earnings from such employment in order to pursue a course of study at such institution, be capable of maintaining good standing in his courses in the institution while employed under the program, and be accepted for enrollment as a full-time student at the institution, or be in good standing there, either as an undergraduate, graduate, or professional student.

The agreement must limit the hours of employment for any student to not more than 15 in any week in which there are classes.

The agreement must require the institution to continue to expend not less than its average annual expenditure for similar programs during the three fiscal years preceding the fiscal year in which the agreement is entered into.

The agreement must provide that the Federal share of the compensation of the students under the agreement will not exceed certain percentages. If the work is for the institution itself, for the first 2 years of the program the maximum Federal contribution cannot exceed 90 percent of the compensation paid for the work performed, and, thereafter, 75 percent of such compensation. If the work is for public agencies or private nonprofit organizations, the Federal share of the payments to the students may not exceed 50 percent of their compensation.

The agreement must include provisions to insure that benefits of work-study programs are reasonably available to all the eligible students in the institution in need thereof.

Finally, the agreement must include such other provisions as the Director finds to be necessary or appropriate to carry out the purposes of the part.

#### *Section 125. Sources of matching funds*

This subsection makes it clear that the institution may pay its share of the compensation of the student employed under work-study programs from any source other than this part.

#### *Section 126. Equitable distribution of assistance*

This section requires the Director to establish criteria to achieve such distribution of assistance under the part among institutions of higher education within a State as will most effectively carry out the purposes of this act.

### PART D—AUTHORIZATION OF APPROPRIATIONS

This part requires the Director to carry out the programs provided for in the three preceding parts of this title during the fiscal year 1965, and the 2 succeeding fiscal years. This part authorizes the appropriation, for the fiscal year 1965, of \$412,500,000. For the remaining 2 fiscal years during which he will carry out the program, only such sums may be appropriated as the Congress may hereafter authorize by law.

### TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Title II contains three parts—Part A (general community action programs), part B (adult basic education programs), and part C (authorization of appropriations).

#### PART A—GENERAL COMMUNITY ACTION PROGRAMS

##### *Section 201. Statement of purpose*

This section provides, as stated in the bill, that the purpose of part A is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

##### *Section 202. Community action programs*

This section describes the nature of community action programs.

Subsection (a) of this section provides that the term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in part A as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human per-



formance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof.

Subsection (b) of this section authorizes the Director of the Office of Economic Opportunity to prescribe such additional criteria for programs carried on under part A as he shall deem appropriate.

### *Section 203. Allotments to States*

This section relates to allotments to States.

Subsection (a) of this section provides that from the sums appropriated to carry out title II for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 percent of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under part A. Twenty percent of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in section 203(b).

Subsection (b) of this section provides that, of the sums being allotted under this section 203(b)—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

Subsection (c) of this section provides that the portion of any State's allotment under section 203(a) for a fiscal year which the Director determines will not be required, for such fiscal year for carrying out part A shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out part A; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not



so reduced. Any amount reallocated to a State under this section 203(c) during a year shall be deemed part of its allotment under section 203(a) for such year.

Subsection (d) of this section provides that for the purposes of section 203 the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

*Section 204. Financial assistance for development of community action programs*

This section provides for financial assistance to develop community action programs. This section provides that the Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

*Section 205. Financial assistance for conduct and administration of community action programs*

This section provides for financial assistance to conduct and administer, community action programs.

Subsection (a) of this section provides that the Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to part A, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of part A. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of part A, including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

Subsection (b) of this section provides that no grant or contract authorized under part A may provide for general aid to elementary or secondary education in any school or school system.

Subsection (c) of this section provides that in determining whether to extend assistance under section 205, the Director shall consider, among other relevant factors, the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty, the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

Subsection (d) of this section provides that in extending assistance under section 205, the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

*Section 206. Technical assistance*

This section relates to technical aid.

This section provides that the Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

*Section 207. Research, training, and demonstrations*

This section (relating to research, training, and demonstrations) provides that the Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private nonprofit organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of part A. Expenditures under section 207 in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of part A.

*Section 208. Limitations on Federal assistance*

This section pertains to limitations on Federal assistance.

Subsection (a) of this section provides that assistance pursuant to sections 204 and 205 paid for the period ending 2 years after the date of enactment of the bill, or June 30, 1966, whichever date is later, shall not exceed 90 percent of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 percent of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of part A. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

Subsection (b) of this section provides that the expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

*Section 209. Participation of State agencies*

This section relates to the participation of State agencies.

Subsection (a) of this section provides that the Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under part A to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

Subsection (b) of this section provides that the Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing



technical assistance to communities in developing, conducting, and administering community action programs.

*Section 210. Equitable distribution of assistance*

This section, relating to equitable distribution of assistance, provides that the Director shall establish criteria designed to achieve an equitable distribution of assistance under part A within the States between urban and rural areas. In developing such criteria, the Director shall consider the relative numbers in the States or areas therein of (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; and (6) persons rejected for military service.

*Section 211. Preference for components of approved programs*

This section provides for the granting of preference with respect to components of approved programs.

This section provides that, in determining whether to extend assistance under any other title of this bill, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to part A.

PART B—ADULT BASIC EDUCATION PROGRAMS

Part B relates to adult basic education programs.

*Section 212. Declaration of purpose*

This section contains a declaration of purpose to the effect that it is the purpose of part B to initiate programs of instruction for adults whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such adults with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

*Section 213. Grants to States*

This section provides for grants to States.

Subsection (a) of this section provides that from the sums appropriated to carry out title II, the Director shall make grants to States which have State plans approved by him under section 213.

Subsection (b) of this section provides that grants under section 213(a) may be used, in accordance with regulations of the Director, to—

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of adults described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such adults, (B) stimulate the development of local educational agency programs for instruction of such adults in such schools or other facilities, and (C) acquire additional



information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such adults in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

#### *Section 214. State plans*

This section describes State plans.

Subsection (a) of this section provides that the director shall approve, for purposes of part B, the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under part B and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under part B (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for adults described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under part B; and

(5) sets forth a program for use, in accordance with section 213(b), of grants under part B which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of adults described in section 212.

Subsection (b) of this section requires that the Director shall not finally disapprove any State plan submitted under part B, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### *Section 215. Allotments*

This section relates to allotments.

Subsection (a) of this section provides that, from the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 percent thereof, as he may determine. He shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under part B. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of adults in each State who have

completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of section 215(a), the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

Subsection (b) of this section provides that the portion of any State's allotment under section 215(a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under part B shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved under part B; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under section 215(b) during a year shall be deemed part of its allotment under section 215(a) for such year.

Subsection (c) of this section provides that the allotment of any State under section 215(a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under section 215(b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under part B.

#### *Section 216. Payments*

This section pertains to payments.

Subsection (a) of this section provides that, from a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

Subsection (b) of this section requires that, for the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 percent. For the succeeding fiscal year the Federal share for any State shall be 50 percent.



*Section 217. Operation of State plans; hearings and judicial review*

This section relates to operation of State plans, hearings, and judicial review.

Subsection (a) of this section provides that, whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under part B, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Director shall notify such State agency that no further payments will be made to the State under part B (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under part B (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

Subsection (b) of this section provides that a State educational agency dissatisfied with a final action of the Director under section 214 or section 217(a) may appeal to the U.S. court of appeals for the circuit in which the State is located, by filing a petition with such court within 60 days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceeding under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

*Section 218. Miscellaneous*

This section covers miscellaneous matters.

This section provides that, for purposes of part B—

(1) the term "adult" means any individual who has attained the age of 22;

(2) the term "State educational agency" means the State board of education or other agency or officer primarily responsible



for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(3) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

#### PART C—AUTHORIZATION OF APPROPRIATIONS

Part C, consisting of section 221, authorizes appropriations to carry out title II.

##### *Section 221. Authorization of appropriations*

This section provides that the Director shall carry out the programs provided for in title II during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out title II, there is authorized to be appropriated the sum of \$340 million for the fiscal year ending June 30, 1965. For the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

##### *Section 301. Statement of purpose*

This section states that it is the purpose of the title to meet some of the special problems of rural poverty so as to help improve the income and living standards of low income rural families and migrant agricultural employees and their families.

#### PART A—AUTHORITY TO MAKE GRANTS AND LOANS

Section 302 contains the basic authority for the Director to make grants and loans to low income rural families.

Grants can be made under this section to low income rural families where in the Director's judgment such grants have a reasonable possibility of effecting a permanent increase in the family income by assisting or permitting them to do one of the following things:

(1) Acquire or improve real property or reduce encumbrances or erect improvements thereon.

(2) Operate or improve the operation of farms, not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment.

(3) Participate in cooperative associations.

(4) Finance nonagricultural enterprises which will enable such families to supplement their income.

The maximum grant which may be made under this provision to any family is \$1,500.

The Director is also authorized to make loans to low income rural families to finance nonagricultural enterprises which enable such families to supplement their income. The aggregate amount which may be loaned to a family under this provision is \$2,500. These loans will have a maximum maturity of 15 years. Section 606 of the bill contains provisions for the creation of a revolving fund to finance these loans.

It should be noted that grants under this section can be made only if the family is not qualified to obtain such funds by loan under other Federal programs. However, this would not prevent the making of grants where appropriate in combination with or as supplemental to loans made under this program or under other Federal programs.

#### *Section 303. Family farm development corporations*

Subsection (a) of this section authorizes the Director to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations for the improvement of the productivity and income of low income families. These corporations will acquire real property in rural areas, develop and reconstitute the property into units not larger than family farms (including fences, farm buildings, land and water development and related facilities), and will then sell the farm so developed and reconstituted to a low-income farm family at a price equal to its appraised value when used for agricultural purposes. Sales made by the corporation will be subject to the condition that for 20 years from the date thereof, upon any resale of the farm the resale proceeds in excess of such appraised value up to the amount of the corporation's investment in the property (less the then value of any improvements placed on the farm by the purchaser from the corporation or its successors), will be payable to the corporation. This obligation will constitute a first lien on the property. The Director will prescribe rules and regulations regarding the organization, financial resources, operations and activities of corporations organized under this section. He is also authorized to provide loans to such corporations, and he may make grants to them in amounts sufficient to make up the deficiency between the cost of the farm developed or reconstituted by the corporation and the net proceeds received from the sale of the farm.

#### *Section 304. Cooperative associations*

This section authorizes the Director to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

#### *Section 305. Limitations on assistance*

This section provides that no financial or other assistance may be provided under the part unless the providing thereof will materially further the purposes of this act, and, in the case of assistance provided for family farm development corporations and cooperative associations, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.



*Section 306. Loan terms and conditions*

Loans made under this part will have such terms and conditions as the Director will determine. However, there must be a reasonable assurance of repayment of the loan; credit must not otherwise be available on reasonable terms from private sources or other Federal, State, or local programs; the amount of the loan, together with other funds available, must be adequate to assure completion of the project or achievement of the purpose for which the loan is made; the loan must bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the average market yields on outstanding Treasury obligations of comparable maturity, plus such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purpose, the loan must be repayable within not more than 30 years if it is a loan to a family farm development corporation or a cooperative association. It is also provided that none of the assistance under this part can be provided to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

PART B—ASSISTANCE FOR MIGRANT AGRICULTURAL EMPLOYEES AND THEIR FAMILIES

This part requires the Director to develop and carry out as soon as practicable a program to assist States, political subdivisions of States, public and nonprofit agencies, institutions, organizations farm associations, or individuals in establishing and operating programs for the assistance of migrant agricultural employees and their families. These programs are limited to housing, sanitation, education, and day care of children. In the case of institutions, organizations, farm associations, or individuals the assistance is limited to direct loans.

PART C—AUTHORIZATION OF APPROPRIATIONS

This part requires the Director to carry out the program provided for in the title for 3 fiscal years. It also authorizes the appropriation of \$50 million for the fiscal year 1965. For the next 2 fiscal years of the program only such sums may be appropriated as the Congress may hereafter authorize by law. It is provided that \$15 million of the funds appropriated for fiscal year 1965 may be utilized for the purposes of part B of the title.

TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

Title IV relates to employment and investment incentives.

*Section 401. Statement of purpose*

This section contains a statement of purpose of title IV.

This section provides that it is the purpose of title IV to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.



*Section 402. Loans, participations, and guaranties*

This section relates to loans, participations, and guaranties.

This section authorizes the Director to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than 15 years, to any small business concern (as defined in sec. 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of title IV, with particular emphasis on employment of the long-term unemployed. No such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$15,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

*Section 403. Coordination with community action programs*

This section provides for coordination of financial assistance with community action programs under title II.

Under this section no financial assistance shall be provided under section 402 of this bill in any community for which the Director has approved a community action program pursuant to title II of this bill unless such financial assistance is determined by him to be consistent with such program.

*Section 404. Financing under Small Business Act*

This section relates to the financing of lending and guaranty functions under the Small Business Act.

Under this section such lending and guaranty functions under title IV as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that act (15 U.S.C. 636(a), 636(b), 637(a)).

*Section 405. Loan terms and conditions*

This section relates to loan terms and conditions.

This section provides that loans made pursuant to section 402 (including immediate participations in and guaranties of such loans) must have such terms and conditions as the Director shall determine, subject to the following limitations—

- (a) there is reasonable assurance of repayment of the loan;
- (b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;
- (c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;
- (d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into con-

sideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

#### *Section 406. Duration of program*

This section (which relates to the duration of title IV programs) provides that the Director shall carry out the programs provided for in title IV during the fiscal year ending June 30, 1965, and the 2 succeeding fiscal years.

### TITLE V—WORK EXPERIENCE PROGRAMS

#### *Section 501. Statement of purpose*

The purpose of this title is to expand the opportunities for constructive work experience and other needy training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose maximum use will be made of programs available under the Manpower Development and Training Act of 1963 and the Vocational Education Act of 1963.

#### *Section 502. Payments for experimental, pilot, and demonstration projects*

Section 1115 of the Social Security Act now provides for experimental, pilot, or demonstration projects which in the judgment of the Secretary of the Treasury are likely to assist in promoting the objectives of any of the public assistance titles of the Social Security Act. This section of the bill authorizes the Director to transfer funds appropriated to carry out the title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under such section 1115 in order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence. Payments made under this section will be subject to the limitations contained in section 409(a) (1) to (6), inclusive, of the Social Security Act. The costs of these projects to the United States for the fiscal year ending June 30, 1965, will, notwithstanding the provisions of the Social Security Act, be met entirely from funds appropriated or allocated to carry out this title.

#### *Section 503. Authorization of appropriations*

This section requires the Director to carry out the program provided for in this title during the next 3 fiscal years. The section also authorizes the appropriation of \$150 million for the fiscal year ending June 30, 1965. For the next 2 fiscal years only such sums may be appropriated as the Congress may hereafter authorize by law.



## TITLE VI—ADMINISTRATION AND COORDINATION

## PART A—ADMINISTRATION

*Section 601. Office of Economic Opportunity*

Subsection (a) of this section establishes in the Executive Office of the President a new agency to be known as the Office of Economic Opportunity. The Office will be headed by a Director who will be appointed by the President, by and with the advice and consent of the Senate. There will be in the Office four Deputy Directors also appointed by the President, and subject to Senate confirmation.

Subsection (b) of this section permits the President to transfer the Office of Economic Opportunity from the Executive Office of the President to some other agency in the executive branch, by complying with the procedures established in the Reorganization Act of 1949, notwithstanding such act may have expired for other purposes. The subsection also makes the appropriate amendments to the Federal Executive Pay Act of 1956 which will control the salaries of the Director and Deputy Directors of the Office of Economic Opportunity.

*Section 602. Authority of Director*

This section confers upon the Director certain authority which will be in addition to that already given him in other portions of the act.

Paragraph (a) permits him to appoint personnel.

Paragraph (b) permits him to employ experts and consultants or organizations thereof and to compensate them at the rate of \$100 per day.

Paragraph (c) authorizes the appointment of one or more advisory committees composed of private citizens and officials of Federal, State, and local governments, as the Director deems advisable, to advise him with respect to his functions under the act. These members of advisory committees will receive compensation on the same basis as do the experts and consultants referred to above.

Paragraph (d) permits the Director, with the approval of the President, to arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under the act, and, as necessary or appropriate, to delegate any of his powers under the act and to authorize the redelegation thereof.

Paragraph (e) permits him to utilize, with their consent, the services and facilities of other Federal agencies without reimbursement, and, with the consent of the head of any political subdivision of a State, to accept and utilize the services and facilities of State and other political organizations without reimbursement.

Paragraph (f) permits the Director to accept property by gift, devise, bequest or otherwise.

Paragraph (g) permits him to accept voluntary and uncompensated services.

Paragraph (h) permits the Director to allocate and expend, or transfer to other Federal agencies for expenditures, funds made available under the act as he deems necessary to carry out the provisions thereof.

Paragraph (i) authorizes him to disseminate data and information in such form as he shall deem appropriate to public agencies, private organizations, and the general public.

Paragraph (j) authorizes him to adopt an official seal which shall be judicially noticed.



Paragraph (k) provides that notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property of the United States, the Director may deal with, renovate, rent, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made under the act.

Paragraph (l) permits him to collect or compromise all obligations to or held by him, and all legal and equitable rights accruing to him, in connection with the payment of obligations until they are transferred to the Attorney General.

Paragraph (m) permits him to establish such policies, standards and criteria and procedures, to prescribe such rules and regulations, to enter into such contracts and agreements with public agencies and private organizations of persons, make such payments, and generally perform such functions and take such steps as he may deem necessary or appropriate to carry out the provisions of the act.

#### *Section 603. Volunteers in service to America*

This section authorizes the Director to recruit, select, and train volunteers to perform duties in furtherance of programs combating poverty at State or local levels. Upon request of State or local agencies or private nonprofit organizations these volunteers will be referred for the above duties. The Director may in cooperation with other Federal, State, or local agencies assign volunteers to work (1) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territories of the Pacific Islands, (2) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds, and (3) in furtherance of programs or activities authorized or supported under title I or II of the act.

Referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but no volunteer will be referred or assigned to duty or work in any State without the consent of the Governor thereof.

The Director is authorized to provide volunteers a stipend, not to exceed \$50 a month, such living, travel, and leave allowances, and housing, transportation, supplies, equipment, subsistence, clothing, health, and dental care as he may deem necessary or appropriate.

Volunteers will not be deemed to be Federal employees and will not be subject to provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training, and such volunteers as may be assigned pursuant to paragraph (a)(2) of this section shall be deemed Federal employees to the same extent as are enrollees of the Job Corps.

#### *Section 604. Economic Opportunity Council*

This section establishes an Economic Opportunity Council which will consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the

Federal Government. This Council will include the Director, who will be its chairman, the Secretaries of Defense, Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Attorney General, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### *Section 605. National Advisory Council*

This section establishes in the Office a National Advisory Council. The Council will be composed of the Director who will be chairman, and not more than 14 additional members appointed by the President without regard to the civil service laws who will be representatives of the public in general and appropriate fields of endeavor related to the purposes of the act. Upon request of the Director, the Council shall review the operations and activities of the Office of Economic Opportunity, and will make such recommendations with respect thereto as are appropriate. The Council will meet at least once each year and at such other times as the Director may request.

#### *Section 606. Revolving fund*

This section authorizes the establishment of a revolving fund to enable the Director to carry out the lending and guarantee functions authorized under titles III and IV of the act. The capital of the fund will consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to the section which authorizes appropriations for title III and will remain available until expended. The Director is required to pay into miscellaneous receipts of the Treasury at the close of each fiscal year interest on the capital of the fund at a rate determined by the Secretary of the Treasury.

In fixing such rates the Secretary of the Treasury shall take into consideration the average market yield on outstanding Treasury obligations of comparable maturity. When any capital in the fund exceeds current needs, it may be credited to the appropriation from which advanced where it shall be held for future advances. Receipts from any lending and guaranty operations under the act, except operations under title IV carried on by the Small Business Administration, will be credited to the fund. The fund will be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of the act.

#### *Section 607. Labor standards*

This section provides that all laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating of projects, buildings and works which are federally assisted under the act will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

#### *Section 608. Reports*

This section requires the Director to prepare and to submit to the President for transmittal to the Congress, not later than 120 days after the close of each fiscal year, a full and complete report on the activities of the Office of Economic Opportunity during such year.



*Section 609. Definitions*

This section defines the term "State" to include the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands. The term "United States" will also include the Trust Territories of the Pacific Islands. The term "agency" will mean any department, agency, or other component of the Federal, State, or local governmental entity. The term "family" in the case of a Job Corps enrollee means the spouse or child of an enrollee and any other relative who draws substantial support from the enrollee.

## PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

*Section 611. Coordination*

This section authorizes the Director to call on other Federal agencies to supply such material as he deems necessary to carry out the act and to assist the President in coordinating the antipoverty efforts of all Federal agencies. Federal agencies which are engaged in administering programs related to the purposes of the act or which otherwise perform functions related thereto are required to cooperate with the Director in carrying out his duties and responsibilities under the act and to carry out their programs and exercise their functions in a manner which will to the maximum extent permitted by other applicable law, assist in carrying out the purpose of this act. The President is authorized to direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this act. It is also provided that no funds appropriated to carry out the act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

*Section 612. Preference to community action programs*

This section requires the head of each Federal agency, to the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this act, to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved under title II.

*Section 613. Information center*

In order to insure that all Federal programs related to the purposes of the act are utilized to the maximum extent possible, and to insure that information concerning such programs, and other relevant information, is readily available in one place to public officials and other interested persons, the Director is authorized to collect, prepare, analyze, correlate, and distribute such information and to make arrangements for any printing and binding, without regard to the provisions of any other law or regulation.

*Section 614. Federal control*

This section makes it clear that nothing in the act will be construed to authorize any Federal agency to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.



*Section 615. Authorization of appropriations*

This section requires the Director to carry out the programs provided for in the title during the fiscal year 1965 and the 2 succeeding fiscal years. It also authorizes the appropriation of \$10 million for the fiscal year ending June 30, 1965. For the next 2 fiscal years only such sums may be appropriated as the Congress may hereafter authorize by law.

**TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES**

This title deals with the treatment of the payments made under titles I, II, and III of this act for the purposes of the public assistance titles of the Social Security Act. It provides that a State plan approved under any of the public assistance titles of the Social Security Act shall provide that the first \$85 a month, and one-half of any additional amounts, paid to any person under title I or II of this act or any program assisted under such title will not be regarded as income or resources in determining need under the approved plan or as income or resources of any other individual in determining the need of such other individual under such approved State plan. It also provides that no payments made under either of such titles or such a program will be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual. This section goes on to provide that no grant made to a family under title III will be regarded as income or resources of the family in determining the need of any member thereof under any of the approved State plans.

Subsection (b) provides that no funds to which a State is otherwise entitled under any of the public assistance titles of the Social Security Act will be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTIONS 103(a), 105, AND 106(a) OF THE FEDERAL  
EXECUTIVE PAY ACT OF 1956

SEC. 103. (a) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$22,500.

- (1) Director of the Bureau of the Budget.
- (2) Comptroller General of the United States.
- (3) (Abolished by sec. 6 of Reorg. Plan No. 1 of 1958.)
- (4) Under Secretary of State.
- (5) Deputy Secretary of Defense.
- (6) *Director of the Office of Economic Opportunity.*

\* \* \* \* \*

SEC. 105. The annual rate of basic compensation of each of the offices or positions listed in this section shall be \$20,500.

- (1) Chairman, Civil Aeronautics Board.
- (2) Chairman of the United States Civil Service Commission.
- (3) Chairman of the Council of Economic Advisers.
- (4) Chairman, Federal Communications Commission.
- (5) Chairman, Board of Directors, Federal Deposit Insurance Corporation.
- (6) Chairman of the Federal Maritime Board.<sup>1</sup>
- (7) Chairman, Federal Power Commission.
- (8) Chairman, Board of Governors of the Federal Reserve System.
- (9) Chairman, Federal Trade Commission.
- (10) Chairman, Foreign Claims Settlement Commission of the United States.
- (11) Chairman of the Federal Home Loan Bank Board.
- (12) Chairman, Interstate Commerce Commission.
- (13) Chairman, National Labor Relations Board.
- (14) Chairman, National Mediation Board.
- (15) Chairman, Railroad Retirement Board.
- (16) Chairman of the Renegotiation Board.
- (17) Chairman, Securities and Exchange Commission.
- (18) Chairman, Subversive Activities Control Board.
- (19) Chairman, Board of Directors of the Tennessee Valley Authority.
- (20) Chairman, United States Tariff Commission.
- (21) Comptroller of the Currency.

<sup>1</sup> Abolished by section 304 of Reorg. Plan No. 7 of 1961. Such plan established Federal Maritime Commission in lieu of Board.



- (22) Assistant Comptroller General of the United States.
  - (23) (Abolished by sec. 6 of Reorg. Plan No. 1 of 1958.)
  - (24) Deputy Administrator of Veterans' Affairs.
  - (25) Deputy Director of the Bureau of the Budget.
  - (26) Deputy Director of Central Intelligence.
  - (27) (Abolished by sec. 6 of Reorg. Plan No. 1 of 1958.)
  - (28) Deputy Director of the United States Information Agency.
  - (29) Deputy Under Secretary of the Department of State (3).
  - (30) Director of the Federal Mediation and Conciliation Service.
  - (31) First Vice President of the Export-Import Bank of Washington.
  - (32) *Deputy Director of the Office of Economic Opportunity.*
- SEC. 106. (a) The annual rate of basic compensation of each of the offices or positions listed in this subsection shall be \$20,000.
- (1) Administrator, Bureau of Security and Consular Affairs, Department of State.
  - (2) Administrator of Civil Aeronautics.
  - (3) Administrator, Commodity Stabilization Service.
  - (4) Administrator of the Rural Electrification Administration.
  - (5) (Repealed by Pub. L. 87-367.)
  - (6) Administrator of the Saint Lawrence Seaway Development Corporation.
  - (7) Administrator, Wage and Hour and Public Contracts Divisions, Department of Labor.
  - (8) Archivist of the United States.
  - (9) Assistant Directors of the Bureau of the Budget (2).
  - (10) Assistant Postmasters General (5).
  - (11) Assistant Secretaries of Agriculture (3).
  - (12) Assistant Secretaries of Commerce (3).
  - (13) Assistant Secretaries of Defense (9).
  - (14) Assistant Secretaries of Health, Education, and Welfare (2).
  - (15) Assistant Secretaries of the Interior (3).
  - (16) Assistant Secretaries of Labor (4).
  - (17) Assistant Secretaries of State (11).
  - (18) Assistant Secretaries of the Treasury (3).
  - (19)-(21) (Repealed by Pub. L. 85-861)
  - (22) Associate Director of the Federal Bureau of Investigation.
  - (23) Chairman of the Military Liaison Committee to the Atomic Energy Commission., Department of Defense.
  - (24) Commissioner, Community Facilities, Housing and Home Finance Agency.
  - (25) Commissioner, Federal Housing Administration.
  - (26) Commissioner, Public Housing Administration.
  - (27) Commissioner, Urban Renewal Administration.
  - (28) Counselor of the Department of State.
  - (29) Deputy Administrator of the Housing and Home Finance Agency.
  - (30) Deputy Administrator of General Services.
  - (31) Director of the Administrative Office of the United States Courts.
  - (32) Director of the Bureau of Prisons.
  - (33) (Abolished by Pub. L. 85-568)
  - (34) Director of the National Science Foundation.
  - (35) Director of Selective Service.

- (36) Fiscal Assistant Secretary of the Treasury.
- (37) General Counsel of the National Labor Relations Board.
- (38) Librarian of Congress.
- (39) President of the Federal National Mortgage Association.
- (40) Public Printer.
- (41) Special Assistant to the Secretary (Health and Medical Affairs), Department of Health, Education, and Welfare.
- (42)–(44) (Repealed by Pub. L. 85–861)
- (45) Members of boards and commissions (excluding chairmen):
  - Civil Aeronautics Board (4).
  - United States Civil Service Commission (2).
  - Council of Economic Advisers (2).
  - Board of Directors of the Export-Import Bank of Washington (3).
  - Federal Communications Commission (6).
  - Federal Deposit Insurance Corporation (1).
  - Board of Governors of the Federal Reserve System (6).
  - Federal Maritime Board (2).<sup>1</sup>
  - Foreign Claims Settlement Commission of the United States (2).
  - Federal Power Commission (4).
  - Federal Trade Commission (4).
  - Federal Home Loan Bank Board (2).
  - Interstate Commerce Commission (10).
  - National Labor Relations Board (4).
  - National Mediation Board (2).
  - Railroad Retirement Board (2).
  - Renegotiation Board (4).
  - Securities and Exchange Commission (4).
  - Subversive Activities Control Board (4).
  - Board of Directors of the Tennessee Valley Authority (2).
  - United States Tariff Commission (5).
- (46) Commissioner of Social Security.
- (47) Commissioner of Education.
- (48) Legal adviser, solicitor, or general counsel of an executive department (excluding the Department of Justice).
- (49) General Counsel of the General Accounting Office.
- (50) General Counsel, United States Arms Control and Disarmament Agency.
- (51) Public Affairs Advisor, United States Arms Control and Disarmament Agency.
- (52) *Deputy Directors of the Office of Economic Opportunity* (3).

<sup>1</sup> Abolished by section 304 of Reorg. Plan No. 7 of 1961. Such plan established Federal Maritime Commission in lieu of Board.

## MINORITY VIEWS

We, the undersigned, strongly oppose enactment of this bill.

We urge every Member of the Congress to read this bill carefully and to study well the full implications of its content. If this course is followed, we are confident that the bill will be rejected.

### POVERTY: A MATTER OF GENERAL CONCERN

Since the pending proposal purports to deal with the problem of poverty, we wish to make it clear at the outset that we do not regard poverty as a partisan political issue. Rather, we regard it as a problem of general humanitarian concern.

Be that as it may, the fact remains that no organized society in the history of the world has so effectively overcome the cruel grasp of poverty as has the United States of America. In terms of a "war against poverty" the whole history of America has been a history of spectacular and sustained accomplishment. In this struggle, our principal weapons have been a free and unregimented society, marked by a labor force and an industrial community untrammelled by the harsh hand of statism. While it is true that governments at all levels, as well as numerous private organizations, have contributed and are continuing to contribute mightily to the eradication of poverty in America, the fact remains that the principal source of accomplishment in this endeavor has been, and must continue to be, our free society and our competitive economy. The truth of this axiom is demonstrated by the repeated failure of other systems, based on authoritarian concepts, to rise, to any substantial degree, above the persistent problems of poverty and want.

The results achieved by the American system have been truly impressive. In 1929, *using 1962 dollars as a standard*, more than 50 percent of American families had an annual income of less than \$3,000. By 1947 this figure had fallen to 30 percent, and by 1962 to 21 percent. In this same period, American families having an annual income of \$6,000 or more rose from 15 percent to 48 percent—an unparalleled economic accomplishment. It is also worthy of note that the greatest deterrent to this accomplishment has been inflation, not neglect.

At this moment more than 70 million American citizens are gainfully employed. These Americans earn more, possess more, consume more, and live better than any other people on the face of the earth. The attainments of our society have been outstanding, indeed. And they should not be deprecated. That being so, the repeated outcry that one-fifth of all Americans exist in a state of poverty is, without more, a grave disservice to the Nation, both at home and abroad. To people in other lands, the word "poverty" has a far different meaning than it has in the United States. When these alien people are repeatedly told by our own national spokesmen that one-fifth of all Americans are poverty stricken, the prestige of America in the eyes of the world must inevitably suffer, even though the



standard arbitrarily used by the proponents of this bill to define poverty in America—a cash income of \$3,000 per year—would in most foreign lands constitute a regal state, indeed.

The poverty yardstick, a \$3,000 annual cash income, put forward by the proponents of this bill, leaves much to be desired. It is a figure, the validity of which cannot be substantiated. Its application results in a host of inconsistencies, a few of which are set forth below:

(1) In 1969, 1.75 million American families, with an income of less than \$3,000, paid income taxes to the Federal Government in the amount of \$3.98 billion; 4.1 million individuals, with an income of less than \$1,500, paid Federal income taxes in the amount of \$3.54 billion.

(2) The average individual, retired on social security benefits supplemented by part-time earnings, loses all social security benefits before he can possibly attain a total annual income of \$3,000.

(3) According to figures released by the Office of the Secretary of Defense, 1,049,248 members of the U.S. Armed Forces had less than a \$3,000 annual income, including all allowances for food, clothing, shelter, plus the value of Federal income tax exemptions.

The foregoing examples are by no means exhaustive. They merely indicate the imprecise and unreliable character of the so-called poverty standard upon which this proposal is predicated.

Another factor of vital concern in this area is the factor of inflation. Purchasing power, not cash income, is the only reliable measure of economic attainment. Inflation may push cash incomes up; it may also push living standards down. Inflation is, in a word, an insidious and destructive tax which has its cruelest impact on the poor.

The importance of this factor is well illustrated by the following observation of Mr. Herman Miller, Director of the Census, on page 26 of his book "Rich Man, Poor Man."

\* \* \* there was a slight drop in purchasing power throughout most of the Truman administration. Real family incomes were no higher in 1952, when Truman left office, than they were in 1945, when he entered it.

The Eisenhower administration concentrated heavily on the control of inflation. The figures show that this policy was quite successful in terms of producing increases in family purchasing power. During the 8 years of the Eisenhower administration real family income rose by \$1,000 or a little more than \$100 a year.

During the past 3 years, we as a nation may well have become stalled on a so-called poverty plateau—the latest figures showing that 20 percent of American families have an annual income of less than \$3,000. This may explain at least in part the administration's sudden and dramatic "war on poverty." But the techniques of waging war on poverty are many and varied. The mere spending of Federal funds may well create more actual poverty than it cures.

Nevertheless, as long as poverty exists by any standards, it continues to be a matter of primary importance and public concern. This does not mean, however, that every proposal offered in the name of poverty is meritorious. Nor does it mean that ineffective or even dangerous programs must be adopted solely for the sake of taking

action. Only the demagog demands action without reason. Responsible leaders do not act until they weigh the merits of a proposed course of public policy. In the light of these precepts, let us examine the proposed poverty package now before us to determine its intrinsic worth as an item of public policy.

### THE LANDRUM-POWELL POVERTY PACKAGE

Unfortunately, this bill is so disorganized in its concept and unrelated in its parts that it cannot be effectively discussed in general terms. For this reason, detailed consideration will be given herein to each of its separate titles and provisions. At the outset, however, it should be pointed out that (1) this proposal is a hastily assembled amalgam of old offerings, having little or no legislative support, interspersed with a varied assortment of discredited past programs and a partial duplication of existing programs; (2) this bill is marked by an administrative philosophy completely at war with the proven precepts of American government and society—a philosophy which accords no meaningful recognition, role, or purpose to established State and local governments or to local planning bodies, and looks only to Federal action directly upon citizens and private groups to carry out programs of Federal design; (3) it creates a new and unneeded layer of Federal bureaucracy—a so-called Office of Economic Opportunity—headed by a poverty czar upon whom is conferred an ill-defined and wide ranging authority. This authority will permit the poverty czar to embark upon any number of individual projects and at the same time review, reorganize, coordinate, and supervise a great number of programs and policies already entrusted for administration to Cabinet Secretaries and other agency heads. This reliance on broad, undefined power, with its companion reliance on direct Federal action at all levels in our society, represents a dangerous assault on the established system of State-Federal relationships, as well as upon the orderly administration of programs and policies already entrusted to established agencies of government.

With this general overview having been stated, let us proceed to a detailed consideration of the various parts of this multiplex proposal.

### TITLE I—YOUTH PROGRAMS

#### PART A—JOB CORPS

The so-called "Job Corps" is one of the most highly publicized features of this bill. It is also one of the most questionable.

The high cost alone—\$190 million in the first year for 40,000 enrollees, or \$4,700 per enrollee—raises a serious question as to whether this is a wise use of financial resources. An even more serious question, however, is whether the job corps could or would have any measurable effect in removing the causes of youth unemployment and poverty.

This and related questions were raised by one of the expert witnesses called by the Republican members of the committee, Dr. Urie Bronfenbrenner, a distinguished social psychologist and professor in the Departments of Psychology and of Child Development and Family Relationships at Cornell University. Dr. Bronfenbrenner favored a Job Corps as a possible means of helping a limited number of young men (the same group that would be more effectively aided by the



residential schools which the Congress has already authorized in the 1963 Vocational Education Act), but he stated that this Job Corps concept "does not hit at the heart of the matter."

Dr. Bronfenbrenner, quoting President Johnson's intent "to strike at poverty at its source," stated: "To me, this means striking at poverty where it hits first and most damagingly—in early childhood." He went on to express grave concern about the psychological effects on youth of the work camps, saying:

Unless the young person is trained in a job which his home community can use, unless he has learned patterns of social and civic behavior which are appropriate to that community, and unless that community is prepared to accept him in a new and more positive role, the young person will return only to be pushed back into the part in which he was formerly cast—the social misfit.

Such questions do not appear to have occurred to those who hurriedly pieced this bill together from odd parts of old proposals. Instead, they invoked the CCC experience of the 1930's to deal with youth who have been described as "the social dynamite" of the 1960's, although the times, the problems, and the needs of youth are vastly different. The need is to equip these young people to cope with their community: the need is not to equip them to commune with nature.

Practical and effective steps are being taken, fortunately, in many of our cities and impoverished rural areas, to make lasting improvements in the opportunities available to young people, as well as to assist those who are in present difficulty. These efforts involve the hard and undramatic tasks of improving schools, providing meaningful training opportunities for out-of-school youth, and advancing the social climate of blighted neighborhoods.

The costly Job Corps would divert both resources and attention from the more productive programs for unemployed youth, and this without much promise of success for even the limited number of enrollees. Mr. Shriver and his associates described the benefits of the work camps glibly in terms of "improved work habits" or learning such skills as equipment operation and auto mechanics. Yet, when pressed on the point, they have all had to acknowledge that these camps would not equip those who would qualify for enrollment—draft rejectees and illiterate or semiliterate school dropouts—for employment in today's labor market.

Apparently the real purpose of the proposed Job Corps is merely to create the appearance of action by removing a limited number of troublesome young people from the streets and attempting to give them some degree of basic education. The real problems, as well as appropriate solutions, are ignored.

One such problem is the increasing shortage of teachers prepared to provide either basic literacy instruction or vocational education. Only last year Congress enacted a vastly expanded manpower retraining program, designed in large part to help unemployed youth, including the provision of basic education. Similarly, the Vocational Education Acts have been expanded, modernized, and amended to include both work-study aid and residential schools for the very same young people who would be drawn to the so-called Job Corps. *The 1965 budget for these expanded programs exceeds one-half billion dollars.*



Yet nobody knows where the additional teachers for these programs, much less for the Job Corps, are to be found. On April 1, 1964, Secretary Celebrezze submitted a report to Congress on the Manpower Development and Training Act which stated:

The search for adequately prepared teachers is causing increasing concern at all levels in the manpower program, because of the large expansion contemplated. The search will be made increasingly difficult by these factors: The development of new occupational offerings for which experienced teachers are not available \* \* \* and the urgency of providing classes when needed, rather than waiting for teachers to complete their professional preparation.

Teachers for basic literacy education are in equally short supply. The Job Corps proposed in this bill would require thousands of teachers who could be recruited, if at all, *only at the expense of our existing vocational and manpower training efforts*. This could, and probably would, cripple successful Federal, State, and local programs.

Problems of recruitment, of maintaining discipline, of trying to prevent the work camps from taking on the aspects of racial ghettos, and a multitude of similar problems have had little consideration from the would-be administrators of this program. One example of their freewheeling unconcern for reality will suffice.

Apparently with no prior thought, and as a quick "on the spot" answer to a question posed in committee, Mr. Shriver agreed that it would be a fine idea to make young women eligible for the work camps and training centers. Therefore, the bill was amended to provide this type of integration of the program. How much would this increase the costs per enrollee? What new problems would be presented in organizing the camps and centers? What need exists for this kind of experience for young women? These and a hundred other questions remain unanswered, for the simple reason that they had never been considered.

This one example, unfortunately, exemplifies the approach to the entire Job Corps proposal.

#### PART B—"WORK-TRAINING" PROGRAMS

The work-training section—under which the Federal Government would pay part or all the costs of work done by unemployed young men and women for public or private nonprofit agencies—was scarcely discussed in committee. The types of work to be performed, the rates of pay, the hours per week, and related concepts remain undefined in the bill. The stated purposes are to permit the enrollees to remain in school or to increase their employability.

The estimated first-year cost of this program is \$150 million—an amount equal to the total Federal effort next year in helping provide a national system of vocational education.

Clearly, no benefits commensurate with this huge cost could be expected, even if the objectives of the program were sharply defined. As the bill stands, there is no indication of the kind of special preparation for employment, if any, to be provided the enrollee, or how such training could be provided outside organized training programs.

There is another very disturbing aspect to this provision. Federal funds would be used to carry on unspecified work for private groups

and organizations. The original bill contained an ambiguous restriction against paying for projects involving "construction, operation, or maintenance of any *facility* used or to be used for sectarian instruction or as a place for religious worship." The restriction, therefore, applied only to *facilities*, and not to work for religious organizations having nothing to do with physical facilities.

In committee, even this mild restriction was weakened by amending it to read "used or to be used *solely* for sectarian instruction or as a place for religious worship." This means that work could be financed for the construction, operation, or maintenance of any church facility that was partially used for any purpose other than instruction or worship. Thus even the original limited restriction has evaporated into thin air.

What kind of work for private organizations can be financed? It must be "an undertaking or service in the public interest" or to be connected with the natural resources or recreational areas of a State or community. But the Federal Director of the poverty program decides for himself what is "in the public interest." The bill provides neither definition nor criteria. Moreover, no approval by any local planning body would be required.

As with the "Job Corps" proposal, the contribution, if any, that this program will make toward equipping young people for employment is highly questionable. Having recently approved a vocational work-study program for youth in this age group, and having expanded the Manpower Act to assist the same individuals, Congress should place its reliance upon these established Federal activities rather than embarking upon new, costly, ill-considered efforts which would only compete with and confuse the existing programs.

#### PART C—WORK-STUDY PROGRAMS

This proposed program would cost \$72.5 million in the first year. Its purpose is to assist the very same college students now being aided by the massive student loan program under the National Defense Education Act. It is a total duplication of that assistance, which carries an authorization of \$125 million for this year and \$135 million for next year.

The only justification for a new Federal aid program for low-income college students is that the colleges and universities (and, we assume, the students) would not object to having the money. We had always assumed that the Federal Government did not seek to take over and to displace *all* forms of student financial assistance, but to make it possible for able but needy students to enter and stay in college. The National Defense Education Act student loan program serves that purpose, and from all the information presented to our committee, serves it well, indeed. Since this is so there can be no justification for yet another Federal "work-study" scholarship program encompassing the same group of students.

This proposed new student aid program has other objectionable features. It too would permit Federal funds to be used to pay for work of an undefined nature performed for private organizations (other than educational ones), including religious organizations. And it contains the very same meaningless "restriction" that applies to the "work-training" proposal concerning "construction, operation, or maintenance" of a facility used *solely* for religious instruction or worship.



## TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

## PART A—GENERAL COMMUNITY ACTION PROGRAMS

This is the program which—without definition or meaningful limitation—would thrust the “poverty czar” and his entire retinue of new Federal bureaucrats into every program, *public or private*, which relates to the health, welfare, education, housing, employment, and family life of every community in America.

The proposal has to be read and studied to be believed. The Director is authorized to pay *part or all* of the costs of “community action programs” which are “focused upon the needs of low-income individuals or families” in a “State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty.”

The Director decides which programs to approve; they may be those of any public or *nonprofit private* organization. The poverty czar need not obtain the consent of a State or of any State agency in order to conduct any program he pleases within any State. This bill does reserve to the Governors of our 50 States one solitary function in all this. To them is reserved the august right “to comment.” Lesser public officials—mayors, school board members, county commissioners, and the like—apparently may not even comment on—and certainly cannot block—the activities of the poverty czar within their respective communities.

Perhaps even more serious than the absence of a requirement for local or State governmental approval is the failure to give any recognition or require any approval of the thousands of community health and welfare planning organizations throughout the country. In most of our better organized communities such bodies, including public and private agencies, are the planning centers for any war on poverty. Failure to require their assessment and approval of any program in the health and welfare field might not only jeopardize the new program but also seriously upset the ongoing programs in the particular community. Such councils have been set up to work out in advance the possible duplications and rivalries of various agencies and bodies dealing in related areas. The prospect of various public and private agencies rushing to the poverty czar to secure funds and authority to move into new areas without approval of community planning organizations is, to say the least, a frightening one.

This unbridled grant of power to the Director, with its concomitant demeaning of State Governors and duly elected local officials is one of the most glaring deficiencies in this legislation. In commenting on this aspect of the pending proposal, the United States Conference of Mayors stated in part:

\* \* \* any Federal legislation that is to involve local citizen action in a war on poverty must clearly place the responsibility for program development and execution with responsible local government \* \* \* if the Federal Government's entry into this foray is to be most effective, its assistance must be channeled to local communities in a manner consistent with local government responsibility and obligation \* \* \* to launch a program of new aids to local private groups without governmental coordination at the local level would be a step backward.

If this be true with respect to our American cities, it is no less true with respect to our American States. But the pending bill completely rejects this time-tested precept and purposely proceeds on the basis of naked Federal power.

Under this title, the Director can finance the programs of *any* private agency, so long as such agency is not operated for the profit of an individual. The Director must find only that the program financed with Federal funds constitutes "an attack on poverty." Presumably this could apply even to employers association, unions, or political organizations.

#### *Grants to private schools*

This title, as rewritten by the majority on the committee, presents an interesting study of obfuscation which would never be chronicled in any "Profiles of Courage." The original title, we were told, was to center largely upon education; but such education could be conducted for public or private school pupils only by the public schools. This arrangement aroused the opposition of those desiring equal aid for private schools. The Democrats on our committee spent the greater part of their 2 weeks of private sessions on the bill on this issue.

After much deliberation, an unusual solution to the problem was found; a solution couched in language calculated to confuse everyone. Education—except for "special remedial and other noncurricular educational assistance" (whatever that may mean)—was dropped from the bill. Another amendment would prohibit "general aid" to any school or school system.

We were unable to obtain an intelligible explanation of the meaning of this new language. The restriction against "general" aid certainly does not apply to "special" aids of all kinds, if language has any meaning. Therefore, the new language would not prohibit a wide and completely undefined range of special aids for private schools. *These would be in the form of direct grants.* "Noncurricular" education covers any instruction not included in the curriculum; this could be a huge number of subjects in one school, and none at all in another. Likewise, "remedial" can be applied to any subject from algebra to zoology.

Thus, although the principal purpose and justification claimed for the original title has been substantially abandoned, the issue of direct aid for private schools remains.

#### *Direct Federal grants for sectarian purposes*

As we have pointed out in the analysis of title I, language was included purportedly designed to bar aid for sectarian instruction or religious worship. On closer examination, the language only barred aid for "construction, operation, or maintenance" of *facilities* used for these purposes.

However, in committee the word "solely" was inserted in this clause so that construction, operation, or maintenance is barred only if a facility is used *solely* for sectarian instruction or religious worship. This means that a direct Federal grant can be made for the construction, operation, or maintenance of any facility—however religious or sectarian its purpose—so long as it will be used part of the time for poverty programs. If a church or church structure is to be used *part of the time* for programs approved under this bill, then the construction, operation, and maintenance of that church or church struc-



ture could be financed with Federal funds. What other meaning can there be to the clear language of the bill, which reads:

*Provided, however, That no such work shall involve the construction, operation, or maintenance of any facility used or to be used solely for sectarian instruction or as a place for religious worship;*

Title II is completely wide open to the use of funds for sectarian purposes. Under the title, as we have noted, every nonprofit organization qualifies for assistance, but there is *no* language anywhere in the title which even purports to preclude sectarian use of the grants under the community action programs. This is a serious omission. Obviously, almost all religious organizations are active in combating poverty; they are fighting not only material poverty but also poverty of the mind and spirit. There is no question that their efforts are in the public interest and deserve the commendation of us all.

But we have here a very serious question of public policy that has nothing to do with devotion to our religious institutions; it involves only the question of government intervention by means of direct grants for religious use or for religious purposes. The original Landrum-Powell bill was defective in the cumbersome way by which it tried to cope with the church-state issue. The bill as amended by the committee is far worse. It offers no guidelines and no meaningful restriction whatsoever as to sectarian use of Federal funds. When direct Federal grants for religious purposes are possible, the wall of separation between church and state has been seriously breached.

*Direct Federal grants for birth control and similar programs*

In committee, the principal sponsors of the bill often became furious when the effect of their own proposals were described. For example, when Mr. Bell and Mr. Goodell, in the hearing on April 17, raised the question whether Federal funds could be used to finance birth control programs, Mr. Landrum responded, in part, "This is the most fantastic inference it has been my privilege to hear any intelligent gentleman like you, or anyone else, make." The very next witness here was the president of a leading private, nonprofit organization, who, speaking for himself, said:

I personally feel that along with providing better schooling for our children, the Federal Government should start at once a long-range program to check the population explosion—and to make the two-child family popular and fashionable again. I urge that the United States should finance research in the problems of population control. This is a vital matter that should not be delayed

On the very next day, the ultimate authority on the bill, Mr. Shriver, appeared to offer his final testimony. Mr. Bell asked for a direct answer as to whether a birth control program could be financed under the bill. There followed a rather rambling reply to the effect that the decision would be made by community organizations which submitted plans.

Mr. Bell concluded:

Then it [financing birth control programs] is possible under this legislation, as I see it?

Mr. SHRIVER. Presumably, if the plan came up in that way. Until you get the plan, it is always a hypothetical question.

Mr. BELL. Would you approve of such a plan?

Mr. SHRIVER. If the plan came up and conformed to the principles of the legislation, surely I would.

Our point is *not* to criticize birth control programs. Many perfectly fine private nonprofit organizations have an interest in this work. They finance the activity with their private funds. Similarly, a number of State and local public programs are conducted in this field. They are financed with the approval of voters, who can control such matters at the polls. *What this bill permits is the use of Federal funds to finance private organizations in such activities in a community without the approval of any public agency.*

*Duplication of many existing programs.*

The fact is that this "community action program" duplicates scores of existing Federal programs—costing nearly tens of billions of dollars annually—that are already operating in every State in the Union. A detailed summary of many of those programs appears at a later point in this statement.

These existing Federal programs cover welfare, health, housing, education, manpower training, rehabilitation, maternal and child care, assistance for poor farm families, aid for the elderly, assistance for Indians, and many activities. These programs are almost wholly administered through the States, by State and local public agencies. To qualify for Federal aid, a State must adopt an approved State plan, and a high degree of coordination of effort at both the Federal and the State and local levels must exist.

Our committee did not hear one word of testimony as to how the new bureaucracy, through "community action," was going to bring about a single improvement in existing programs designed to reduce dependency or eliminate the causes of poverty. Why, then, do we need a "poverty czar" with these unlimited powers, including the power indiscriminately to spend public funds to aid and assist private organizations? Let us take a concrete example of an ongoing program—vocational rehabilitation. Next year the Federal contribution to a comprehensive Federal-State-local effort in this one field will be \$140 million. The only thing the new bureaucracy could contribute to this highly successful program, other than unwanted confusion, is more funds. That is true in every field of endeavor mentioned in this title. Assuming any additional appropriations can be justified, Congress should appropriate the money for these programs directly to already established agencies.

Although it is not generally known, this title is based upon the Juvenile Delinquency Act which authorized a similar program of "community action" to curb youth offenses. The Juvenile Delinquency Act is admittedly experimental. It is being applied to only a limited number of communities throughout the country. It was intended, as a result of the experience gained under this act, that Congress could discover what is good or bad, what is effective or ineffective in such programs. The authors of this bill, however, cannot wait for the reports to come in. They have no time for thoughtful evaluation of results. They must pattern this bill upon a program which already has brought to light a number of weaknesses which



should not be repeated in future congressional enactments in the community action field. Unfortunately, this bill perpetuates and compounds those shortcomings.

#### PART B—ADULT BASIC EDUCATION PROGRAMS

Except for the fact that the authority for this proposed program is removed by this amendment from the Commissioner of Education and transferred to the "poverty czar," the program is identical to that contained in H.R. 5542. That bill was reported by this committee on August 7, 1963 (H. Rept. 638), and is currently before the House Rules Committee.

We have already stated our views with respect to H.R. 5542. In essence, it is our opinion that the Congress met the primary Federal concern in adult literacy education by placing that activity within the Manpower Development and Retraining Act, where it can be related directly to meaningful training for employment.

The inclusion of this program by the committee as an amendment to the original bill is fully consistent with the jerry-built nature of the entire proposal. It also reflects an impatience with the legislative process and the orderly functioning of Congress, by reintroducing in new trappings old legislative bundles which Congress has not embraced. Perhaps it is hoped that Congress will not recognize these perennials in their new garb for what they are.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

An essential fact with respect to this title is that the Committee on Education and Labor should not have been obliged to consider it at all. Quite aside from the fact that this committee, clearly, has no jurisdiction in this field, the proposals embodied in this title impinge upon extremely important Federal agricultural programs and, indeed, our entire agricultural economy. This title should have had the thorough consideration of the Committee on Agriculture, whose members possess a detailed knowledge of existing programs in agriculture, as well as an expert understanding of agricultural problems.

When the Secretary of Agriculture, during his testimony, was asked if this title should not be before the Agriculture Committee, he replied: "\* \* \* I would just as soon stay out of trouble by not answering your question."

Only two members of our committee, both Republicans, serve on the Committee on Agriculture. Naturally, their views were not followed by the majority. This flagrant abuse of the committee system of the Congress is a serious matter. It goes to the heart of the legislative process. We are reluctantly coming to the conclusion that such serious matters do not at all concern the President, whose attention seems riveted on the subject of election year politics. We trust that the Congress will assert its independence, reestablish its integrity, and rebuff this attack on the orderly consideration of legislation.

## PART A—AUTHORITY TO MAKE GRANTS AND LOANS

A basic fact pertinent to this entire title—and therefore unlikely to be mentioned in the majority views—is that the number of marginal farms has steadily declined, while the number of successful farms has remained the same since 1939. For example, in 1949 there were over 3 million farms with cash sales of less than \$2,500. By 1964, scarcely half that number of marginal operations remained.

The Farmers Home Administration of the Department of Agriculture has a huge and successful program of direct loans for low-income farm families to assist them in improving their farm operations. The amount budgeted next year for the FHA loan program is \$327.5 million. An additional \$25.3 million is budgeted for rural housing grants and loans and rural renewal loans. This assistance is available on the basis of a careful, expert evaluation of farm operations. Secretary Freeman testified that 90 percent of the direct loan assistance went to farmers having a cash income of less than \$3,000 annually.

The view of experts with which we have consulted is that the grant and loan program in this poverty bill is a dangerous perversion of the existing FHA loan program.

The purpose of part A is to permit the “poverty czar” to give *direct grants* of \$1,500 to low-income farmers whose operations are so marginal and unpromising as to disqualify them for an FHA loan. These same farmers would also be eligible for additional loans up to \$2,500. As the American Farm Bureau Federation spokesman, Dr. Harry L. Brown, a very distinguished Georgia educator and agriculturist, pointed out to our committee:

[This grant and loan program] would, whatever the intention may be, *operate to perpetuate subsistence farming and rural slums*. Such grants and loans would apparently not be made to every low-income family, but only when it is determined administratively that a family would be better off where it is than some place else. [Emphasis added.]

Dr. Brown further observed that the purpose of the FHA loan program, which he supported as sound, is “to provide assistance to those farmers who can enlarge their enterprises to become economic-sized operators.” Thus, low-income farmers who are capable of creating a going agricultural enterprise that lifts them out of an impoverished state, are adequately assisted now. The purpose of this title is to keep some farmers in poverty.

To argue that unsuccessful agriculture should be encouraged in order to keep individuals on farms, even in a state of poverty, is to argue against the entire economic and social history of this country. As Dr. Brown stated:

Despite all the gloomy assumptions that there is no place in the city except relief rolls for rural subsistence farmers, it is a fact that literally millions of people migrating from subsistence agriculture in the past 50 years have carved places for themselves in society, and this migration has furnished the personnel that man our commercial, industrial, and military establishments.



*Family farm development corporations*

This is the "land reform" scheme which one of the Democratic members of our committee publicly described as looking like something from behind the Iron Curtain! In fact, it revives a highly unsuccessful "resettlement program" of the 1930's which was operated by the Farm Security Administration. This section authorizes the Director to organize public or private corporations and to finance their purchase of agricultural land, which would then be "reconstituted" into "family-sized farms" (as defined by the Director) and sold at a loss to low-income farmers.

The American Farm Bureau aptly states that "the concept that low-income families should be settled and maintained on little farms is an old and reactionary idea. The result would be stabilized, Government-directed and subsidized poverty." That was the precise result of the old "resettlement program," and it was abandoned in a very few years. It is truly incredible that such a scheme should be revived in the economy of the 1960's.

The ignominious and ill-fated farm-resettlement program of the thirties, after which much of this particular title is patterned, was invested by a select committee of the House Agriculture Committee in 1944. That committee submitted a report to the House strongly critical of the program, both in concept and in performance.

Following are a few findings and observations made by that committee, all of which may well be repeated by some future congressional committee should this proposed title go into effect:

The investigation disclosed that, beginning with the administration of Rexford G. Tugwell and continuing throughout the administration of C. B. Baldwin, the Farm Security Administration was financing communistic resettlement projects, where the families could never own homes or be paid for all that they made or for all the time they worked, and was supervising its borrowers to the extent of telling the borrower how to raise his children, how to plan his homelife, and, it is strongly suspected in some cases, how to vote. Some families were "kept on the Government" indefinitely, while other families that were willing to work just as hard and do their best to pay their debts, would not get any help from the Government at all.

\* \* \* \* \*

Families have been colonized, regimented, and supervised to an extent which cannot possibly be justified. It has been insisted arbitrarily that they keep records which many of them have found impossible to keep and maintain. They have been told what crops to plant and how they must be cultivated. They have been told from whom they must purchase and to whom they must sell. Their bank accounts have been completely controlled and kept under joint ownership by the Government, and they have not even been permitted to select their own work stock and other equipment. Supervisors of the Farm Security Administration have insisted upon discussing with members of the family the most intimate relationships.

\* \* \* \* \*

As a result of those factors previously discussed in this report, the committee is of the opinion that, up to the time of the recent changes in those in authority over Farm Security Administration, that agency has not been wisely administered and has been used as an experiment station of un-American ideas and economic and social theories of little or questionable value.

The committee sees no need for the present duplication of Federal agencies furnishing analogous types of services to low-income farmers. Such duplication undoubtedly causes loss of Government manpower, increases Government expenses, and creates confusion in the minds of farmers who must necessarily utilize that type of credit.

\* \* \* \* \*

While we do not wish to belabor the obvious, the fact remains that much of this title is alien in concept. Indeed, the case of this proposal has long been advocated by the Communist Party. As recently as 1955, the National Farm Commission of the Communist Party of the United States adopted the following proposition:

Sharecroppers and tenants, Negro and white, should be aided to become owners. The Government to buy up tracts of land and make productive farms available to sharecroppers, tenants, and farmworkers on a low-cost basis.

Small wonder that Norman Thomas, long a perennial Socialist candidate for President, recently characterized this proposal "as a socialistic approach." Mr. Thomas should know!

Thus, the basic "land reform" scheme embodied in this bill is both revolutionary and reactionary. The extraordinary powers handed to the "poverty czar" to administer this program border upon totalitarianism. In the language of section 303(b), the Director would "prescribe such rules and regulations regarding the organization, financial resources, operations, and activities of such [farm development] corporation *as he deems appropriate*." [Emphasis added.] He is authorized to finance these corporations "upon such terms and conditions as he may determine."

The same kind of unbridled authority runs throughout this bill. For example, in this title, the Director himself determines what constitutes a "low-income farm family," and the decision as to which families to help is left "to the judgment of the Director." He would possess a degree of authority over agriculture and farm families not to be found elsewhere in the free world.

#### *Cooperative associations*

The final grant of unlimited power in this part projects the Director into farm cooperatives to finance services to low-income rural families. This provision was scarcely discussed by the committee, which has little knowledge of the operation of farm cooperatives or of the large farmer-owned and farmer-controlled credit system.

Beyond question, however, the proposal envisages a system of cooperatives dominated by Federal agents, which would establish a system of soft credit for farmers arbitrarily identified by the new Federal agency as "low-income." Whether it is wise or even feasible thus to set a section of the agricultural community apart is extremely dubious. Obviously, this entire proposal should receive careful study from those



familiar with farm cooperatives. We must assume this is the reason why it was *not* sent to the Committee on Agriculture.

*Assistance for migrant agricultural employees and their families*

Congress has long had before it a number of proposals for special assistance for migrant agricultural workers. Part B was not included in the original bill, but was inserted by the committee as an amendment. Accordingly, there were no hearings on this provision, and it has not been discussed in committee.

Five Senate-passed bills affecting migrant agricultural workers were referred to this committee on June 11 and 12, 1963. Only one has been acted upon. Rather than give a poverty Director *carte blanche* power to develop programs covering the subject matter of these bills—which, if enacted, would place their administration in the proper Federal agencies—we believe that the pending bills should receive proper consideration in this committee. However, the proponents of this legislation, both in and out of Congress, do not hold the legislative process in such esteem.

TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

This title concerns itself with a subject matter—assistance to small business organizations—about which the Education and Labor Committee knows little and for which it is not legislatively responsible. This entire title of the bill falls clearly within the jurisdiction and competence of the Banking and Currency Committee of the House, and should, in all logic, have been referred to that committee for initial consideration.

Be that as it may, there is nothing in this title which should command the approval of Congress. Title IV would merely overlap and duplicate authority which already reposes in the Small Business Administration. This duplication of effort to give aid to small business organizations, by making and guaranteeing loans to such enterprises, can only lead to confusion and uncertainty in the administration of established programs.

The language and provisions of this title are incongruous and self-contradictory. For example, section 405(b) provides that before aid can be given under this title, financial assistance must not “otherwise be available on reasonable terms from private sources or other Federal, State, or local programs.” But as another condition, section 405(a) requires that there be reasonable assurance of repayment of the loan before aid can be given. If the borrower could provide reasonable assurance of repayment, financial assistance would be readily available to him from existing programs. Thus he would not need to seek aid under this title. Even if these two conditions were given a liberal interpretation and application, it is doubtful whether anyone could qualify for assistance under this title as it is written. However, it is not inconceivable that the bureaucrats will find a way to spend the authorization.

As an added condition to receiving financial assistance, the Director may require the applicant to participate in a management-training program that the Director has approved. This is an unusual provision, to say the least. Not only does it contemplate the lending of money to persons incompetent to operate a business but, in typical bureaucratic fashion, it contemplates a further intrusion of Govern-

ment to educate the borrower, presumably on the theory that once educated he may be able to pay off a later loan, but not the one for which his original lack of competence qualified him.

The authors of the bill made little effort to disguise the fact that this title adds nothing at all to an existing program, as they specifically authorize the Director to transfer this alleged new program in its entirety to the Small Business Administration for execution.

As we repeatedly pointed out, it is completely unwise and unnecessary to involve a new bureaucracy in the administrative affairs of established Government agencies—in this case the Small Business Administration.

#### TITLE V—WORK EXPERIENCE PROGRAM

This title exemplifies the theme of duplication of function and redundancy of purpose that runs throughout the entire bill. If this title is enacted, nothing more would be accomplished than to permit the Director to intervene in four programs already in existence and now being administered by the Department of Health, Education, and Welfare, where they properly belong.

The basic purposes to be served by this title are identical with those already being served by the public welfare provisions of the Social Security Act, as amended in 1962. This title authorizes an expenditure of an additional \$100 million (in addition to the \$50 million already budgeted). However, the spending of this additional money at this time would both be unreasonable and unjustified (according to information presented by Secretary Celebrezze to the committee during recent hearings). With respect to the operation of these programs, Secretary Celebrezze stated:

The enactment of the Public Welfare Amendments of 1962 which resulted from this effort, provided the authority and financial resources for a new approach to the problems of prolonged dependency where rehabilitation is possible. Accordingly, the Department is moving ahead with the States to institute measures designed to break the poverty cycle through community work and training projects, work incentives, day care for children of working mothers, and a full range of supporting social services. Funds are available to finance special demonstrations in public assistance, rehabilitation projects using the maximum flexibility in the provision of assistance and services. *These activities are moving forward as rapidly as the States and localities are able to establish and staff them on a sound basis.* The task is formidable, but the prospects of success are promising. [Emphasis added.]

Other established programs in which this title would permit the new poverty czar to meddle are the Manpower Development and Training Act of 1963 (presently being administered by the Labor Department) and the Vocational Education Act of 1963 (presently being administered by the Department of Health, Education, and Welfare).

Nothing in the evidence or testimony presented to the committee would in any way justify approval of this title. The programs referred to above are already being administered by established Government departments. There is absolutely no reason to create a new



superagency to oversee the work of these Cabinet-level administrators. If they are incompetent they should be replaced. If they are competent they should be spared the interference and harassment which this title contemplates.

Moreover, if there is need for more funds to carry out these programs those funds should be appropriated directly to the responsible departments—they need not and should not be channeled through the poverty czar acting as a transfer agent. This would merely increase the administrative costs of the program and would accomplish no worthwhile purpose.

#### TITLE VI—ADMINISTRATION AND COORDINATION

This title would create a new bureaucracy—the “Office of Economic Opportunity”—to be headed by a Director and four Deputy Directors. This title would confer upon the proposed Director of that Office the most sweeping and undefined grant of power to be found anywhere in the Federal Government. In addition to the specific grants of authority contained in this bill, there are at least six instances in which action by the Director is authorized, notwithstanding the existence of Federal law to the contrary.

For example, the Director, under this title, would be completely exempted from all provisions of Federal law relating to the “acquisition, handling, or disposal of real or personal property by the United States”; he would be empowered to “deal with, complete, rent, renovate, modernize, or sell for cash or credit *at his discretion* any property acquired by him in connection with loans, participations, and guarantees made by him pursuant to titles III and IV.” In short, he is empowered to do whatever he pleases with such properties as farms, farm homes, businesses, farm cooperatives, and personal property of every description.

Moreover, there are no definitions of terms anywhere in this bill, except for three words—“State,” “agency,” and “family.” There are virtually no criteria provided for the exercise of the vast powers conferred upon this poverty czar. For example, section 602(m) confers upon the Director general authority to—

establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and *private organizations and persons*, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps *as he may deem to be necessary or appropriate* to carry out the provisions of this Act.” [Emphasis added.]

We have not referred to the Director as a “poverty czar” in jest. The grant of authority which this bill is designed to confer upon the Director would make him a “czar” in every sense of the word.

This title would also create two advisory councils, one composed of Cabinet officials or their delegates and one composed of representatives of the public. Neither council is given any power whatsoever to overrule the Director, nor has either council any administrative function to perform under the act.

*Volunteers in Service to America*

In testimony before the committee, Mr. Shriver and the Attorney General admitted that the administration-sponsored Domestic Peace Corps proposal, H.R. 5625, was being shelved and that the "Volunteers in Service to America" proposal was being substituted for it. Thus, in less than two pages of the new bill, with no standards or limitations, the poverty czar is given authority to establish any type of domestic peace corps program he desires, while a proposal on which there have been lengthy hearings and on which there is a measure pending, totaling 20 pages, is shelved. This is an obvious and flagrant attempt to sneak into law without proper congressional consideration an authorization which, when detailed and presented on its own merits, will almost certainly be rejected unless limited to proper fields of Federal activity. A proposal to substitute for this provision a defined program for Federal activity of this nature, making possible an extension of the International Peace Corps concept, was rejected without serious consideration by the administration and by the Democratic majority of the committee.

We therefore believe that this abbreviated and ill-considered version of a domestic peace corps should be stricken from this bill, and that resort be had to established legislative procedures.

One final point should be emphasized regarding the substantive provisions of this title. The term "coordination" is used in the title, as it was throughout the hearings on the bill, to suggest that the function of the Director is merely to "coordinate" programs to combat poverty. That is simply not true. *Every authorization in this bill—save one to the President to transfer the entire agency without regard to existing law—is an authorization to the Director, to be used at his sole discretion.* In all candor this title, fairly construed, means that the Congress is delegating sweeping and unfettered power to the Director to oversee the affairs of established agencies of Government. This, in our opinion, is an authority that Congress should weigh and then withhold.

*Some further comments and observations*

In addition to the foregoing analysis, our consideration of this bill over the past months, both in and out of committee, compels us to make the following additional comments and observations.

*H.R. 11377: A token war on poverty; a frontal assault on basic American precepts*

Regardless of the exaggerated claims its proponents may make for it, the fact remains that this proposal does not and, as written, cannot deal effectively with the basic causes of poverty. It holds out extravagant promises to the unfortunate, but it contains no substance for their fulfillment.

The \$962.5 million which this bill authorizes will make a significant contribution to the already vexing Federal deficit, but will make no significant contribution to the established multibillion-dollar anti-poverty programs now being carried forward by the Federal Government.

Apart from that proportion of the recommended funds which will be used to add additional bureaucrats to the burgeoning Federal payroll, this bill will neither create nor encourage the creation of any substantial new employment. It will not prepare any substantial



number of our unemployed for gainful employment in today's highly skilled labor market. Nor will this bill, despite its misleading title, contribute anything of substance to the expansion of economic opportunity. As an instrument for waging war on poverty, the pending bill is all promise and no progress, all mouth and no muscle.

However, as an assault on basic American precepts and the orderly administration of Government affairs, this bill, to say the least, is an instrument capable of indescribable havoc.

The creation of a new layer of Federal bureaucracy, headed up by a poverty czar with unlimited power to bypass all duly constituted State and local governments and to deal directly with groups and organizations of his preference in carrying forward myriad programs of his design, could well mark *finis* to any meaningful future for the States and local governments in the orderly conduct of this Nation's affairs.

This wide-ranging power, together with the czaristic endowment to embark upon new undertakings competitive with and duplicative of programs already well established, not to mention the additional power to "coordinate," "review," and otherwise interfere with the administrative functions of Cabinet officials and other agency heads, may well create administrative chaos throughout the Federal structure. It will, moreover, unnecessarily impede the administration of established programs, vital to the welfare of the Nation. Members should weigh these implications well. Let it not be written that we abandoned the strength of America for a slogan.

*Present Federal antipoverty programs: Numerous, far reaching, well established*

Much of the publicity surrounding the introduction and promotion of this legislation has been directed toward creating the impression that for the first time in history the Federal Government, in some manner, has suddenly become aware of the existence of poverty and, at long last, is undertaking to do something about it. This misleading and malicious myth must be exposed and discredited.

The Federal Government for a number of decades has been directly involved in combating poverty. Since the end of World War I it has been heavily committed to such activities. At the present time a substantial part of the total national budget is allocated to programs designed to prevent, alleviate, and overcome the effects and causes of poverty in America.

According to the Social Security Bulletin for November 1963, a total of \$66.5 billion was spent by all levels of government for "social welfare" purposes in 1962. During the same year, an additional \$33.5 billion was spent by private organizations for the same purposes. This constituted a total national effort of \$100 billion.

During his testimony before the committee, Secretary Celebrezze conceded that the Federal Government was currently carrying forward 42 individual programs designed to combat and overcome the causes of poverty. These programs constitute a formidable Federal commitment to the war on poverty. According to the Bureau of the Budget these programs carried appropriations of almost \$32 billion for the fiscal year 1964. These programs, together with their authorized appropriations for fiscal 1964, are set forth below:

*Federal programs currently operating to combat poverty (appropriations for fiscal year 1964)*

[In thousands of dollars]

|                                                                                                                                               | 1964<br>appropriation |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>DEPARTMENT OF AGRICULTURE</b>                                                                                                              |                       |
| 1. Extension services-----                                                                                                                    | 80,180                |
| 2. Rural renewal-----                                                                                                                         | 1,200                 |
| 3. Rural housing for elderly-----                                                                                                             | 3,500                 |
| 4. Direct loans-----                                                                                                                          | 486,000               |
| 5. Rural housing repairs-----                                                                                                                 | 3,355                 |
| 6. Housing for domestic farm laborers-----                                                                                                    | 3,000                 |
| 7. Food distribution:                                                                                                                         |                       |
| Sec. 32 and CCC (domestic)-----                                                                                                               | 416,200               |
| Food stamp-----                                                                                                                               | 44,600                |
| School lunch-----                                                                                                                             | 182,000               |
| Special milk-----                                                                                                                             | 100,000               |
| 8. Forestry and soil conservation-----                                                                                                        | 509,000               |
| <b>Total</b> -----                                                                                                                            | <b>1,829,035</b>      |
| <b>DEPARTMENT OF COMMERCE</b>                                                                                                                 |                       |
| 9. Vocational training and retraining in redevelopment areas-----                                                                             | 8,500                 |
| 10. Industrial and commercial loans-----                                                                                                      | 132,000               |
| 11. Public facility loans-----                                                                                                                | ( <sup>1</sup> )      |
| Public facility grants-----                                                                                                                   | ( <sup>1</sup> )      |
| 12. Technical assistance-----                                                                                                                 | 4,500                 |
| <b>Total</b> -----                                                                                                                            | <b>145,000</b>        |
| <b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</b>                                                                                           |                       |
| 13. Public health-----                                                                                                                        | 1,483,787             |
| 14. Indian health-----                                                                                                                        | 65,048                |
| 15. Maternal, child health, and crippled children-----                                                                                        | 68,777                |
| 16. Vocational education-----                                                                                                                 | 56,917                |
| 17. Public library services and construction-----                                                                                             | 7,500                 |
| 18. Aid to impacted areas-----                                                                                                                | 344,410               |
| 19. National Defense Education Act-----                                                                                                       | 235,788               |
| 20. Teachers of handicapped children-----                                                                                                     | 14,185                |
| 21. Old age, survivors, and disability insurance benefits-----                                                                                | 17,071,940            |
| 22. Public assistance-----                                                                                                                    | 2,886,055             |
| 23. Child welfare services-----                                                                                                               | 32,943                |
| 24. Juvenile delinquency-----                                                                                                                 | 6,950                 |
| 25. Vocational rehabilitation-----                                                                                                            | 128,407               |
| 26. Manpower development and training-----                                                                                                    | 164,977               |
| <b>Total</b> -----                                                                                                                            | <b>22,567,684</b>     |
| <b>HOUSING AND HOME FINANCE AGENCY</b>                                                                                                        |                       |
| 27. Urban planning-----                                                                                                                       | 21,150                |
| 28. Urban renewal—contract authority-----                                                                                                     | 1,400,000             |
| Appropriation to liquidate contract authority-----                                                                                            | 104,805               |
| 29. Mortgage insurance—permanent indefinite authorization to<br>expend from corporate debt receipts-----                                      | 142,395               |
| 30. Low-rent public housing-----                                                                                                              | 212,484               |
| 31. Public facility construction—financed from authorization to<br>expend from public debt receipts enacted in 1961-----                      | -----                 |
| 32. Low-income housing demonstration projects-----                                                                                            | 43                    |
| Contract authority-----                                                                                                                       | 5,000                 |
| Appropriation to liquidate contract authority-----                                                                                            | 1,157                 |
| 33. Loans for housing for the elderly-----                                                                                                    | 100,000               |
| 34. Federal National Mortgage Association—financed from author-<br>ization to expend from public debt receipts enacted in prior<br>years----- | -----                 |
| <b>Total</b> -----                                                                                                                            | <b>1,987,034</b>      |

<sup>1</sup> Included in item 10.



*Federal programs currently operating to combat poverty (appropriations for fiscal year 1964)—Continued*

[In thousands of dollars]

|                                                             |  | 1964<br>appropriation |
|-------------------------------------------------------------|--|-----------------------|
| DEPARTMENT OF THE INTERIOR                                  |  |                       |
| 35. Indian affairs.....                                     |  | 217, 541              |
| 36. Conservation:                                           |  |                       |
| Bureau of Land Management.....                              |  | 126, 364              |
| Geological Survey.....                                      |  | 63, 700               |
| Bureau of Reclamation.....                                  |  | 357, 531              |
| National Park Service.....                                  |  | 128, 976              |
| Fish and Wildlife Service.....                              |  | 109, 449              |
| 37. Research in health and safety in mining operations..... |  | 1, 596                |
| 38. Territories and the trust territory.....                |  | 46, 506               |
| Total.....                                                  |  | 1, 051, 663           |
| DEPARTMENT OF LABOR                                         |  |                       |
| 39. Employment services.....                                |  | 173, 330              |
| 40. Unemployment compensation.....                          |  | 4, 009, 199           |
| 41. Labor standards.....                                    |  | 18, 400               |
| Total.....                                                  |  | 4, 200, 929           |
| FUNDS APPROPRIATED TO THE PRESIDENT                         |  |                       |
| 42. Accelerated public works.....                           |  | 30, 000               |
| Grand total.....                                            |  | 31, 811, 345          |

The programs listed above are well established, and their administration is in the hands of recognized Government agencies, manned by experienced personnel. If these programs need to be expanded or modified, their administration should, in our opinion, continue to vest in established Government agencies. We see no advantage—indeed we see serious disadvantages—in placing fragmentary duplications of these programs in the hands of a new and untried agency, headed by a new and untried “poverty czar.” The duplication of function and administrative dispersal contemplated by the pending legislation invites administrative chaos and confusion which may well imperil the effective administration of existing programs. In our opinion the creation of the so-called Office of Economic Opportunity, to manipulate at large in these important areas, cannot be hazarded. There is no justification—economic, organizational, or administrative—for the creation of any such superagency.

*The poverty package: A political project*

We fully recognize that all legislative proposals coming before a congressional committee should be evaluated solely on their intrinsic merit. We have accorded this consideration to the pending bill and have found little to commend it. Accordingly, we are strongly recommending that this bill be rejected.

However, we do not deem it amiss to point out that in addition to its basic lack of merit, this bill suffers from the further fact that it is patently political in origin and purpose.

The proposal presently before the House is not the reasoned result of careful study and consideration, based upon established fact and proven need. It is, as we have already stated, a hastily assembled package of odd legislative retreads and rejects, interspersed with a sprinkling of old, unsuccessful experiments and a plagiarized assort-

ment of existing programs, carped off with an administrative structure designed to promote a picture of personalized Federal largesse.

From the moment this legislation was introduced "poverty" became the political watchword of the administration. Administration figures of every rank and region, from the President and his family to the "poverty-czar-in-waiting," have been telling the world that prosperous America is poverty stricken. They have also been telling the unfortunate and underprivileged in this country that this bill will redeem them.

At the same time, the committee which considered this bill refused to plumb the problem, refused critically to analyze and evaluate the proposal. The chairman's lopsided gavel was used as an instrument of discipline to blunt exposure and to thwart inquiry. Hearings were concluded abruptly with vital witnesses still unheard. All important decisions on markup of the bill were made during the Powell-Landrum lockout period of 10 days during which Republicans were excluded from committee chairs. As a consequence, the executive sessions were bereft of meaningful debate and deliberation. Worthwhile amendments were turned aside by a straight line party vote. The party word had gone out; the product had to be delivered.

The day after this proposal was introduced, the Democratic National Committee delivered to the office of every Democratic Congressman a so-called "poverty kit," complete with prewritten speeches, canned press releases, and similar propaganda, to be used in all the hustlings to promote and advance the political "poverty battle."

When one surveys the "fanfaronade" and staging that has been built around this proposal, including prearranged televised tours among prescreened unfortunates; when one ponders the ironfisted resolution which has driven this measure to this stage in the legislative process; when one contemplates the 35 million Americans whom the administration, without foundation in fact, cavalierly classifies as poverty stricken; when one dwells upon these matters and then analyzes the details of this proposal and learns that under its terms each person classified as poverty stricken would receive less than \$28 per year—one cannot fail to suspect that political chicanery attends this entire undertaking. Indeed, when one contemplates and evaluates this whole performance, one is driven to concur with the reasoning of one of our great American newspapers, the Washington Star, which, after reviewing this sorry spectacle, published the following editorial:

### "WAR ON POVERTY"

The poor, it is said, will always be with us. And Lyndon B. Johnson doubtless will always be with the poor. Which may or may not be a comforting thought to the William David Marlow family.

The Marlows were visited by President Johnson and Linda Bird at their home near Rocky Mount, N.C., on May 7. Since the story and pictures appeared hundreds of people have driven by to see the house, many of them shining their headlights in at night. One day the Marlows counted 146 carloads of people. A woman visitor wanted to buy the bed on which the President and his daughter had sat, offering a complete bedroom suite for it. Mrs. Marlow wouldn't trade. She said "it's too good a sleeper."



There also seems to be a rather large question about the target chosen for this particular Presidential mission. A county official had urged Mrs. Marlow to have a wash out on the line and to be sure the kids were barefoot. In other words, live it down.

But Mrs. Marlow, who evidently hasn't been boning up on wars on poverty, said the strange thing was that "we didn't even feel like we were in poverty." And Mr. Marlow, who was transplanting tobacco when a reporter got to him, said he expects to clear about \$1,500 over and above all expenses this year.

"What we need right now," he said, "is rain."

Perhaps President Johnson, whose talent for getting things done is legendary, will produce the rain. If he can, the rest of the "War on Poverty" should be a cinch. Meanwhile, however, the Marlow story deepens a small shadow of doubt which had already crossed our mind. Could there possibly be something just a little bit phony about this war?

#### *Further general observations*

Most of the proposals contained in the pending poverty bill—such as the Job Corps, the work-study program, and the Domestic Peace Corps—have previously failed to obtain congressional approval. The remaining proposals are, for the most part, duplications of established antipoverty programs now being carried out by a number of departments and agencies of the Federal Government.

We believe that if present antipoverty programs need to be expanded, their administration should vest in the established agencies of Government. We cannot, therefore, subscribe to the creation of a new layer of Federal bureaucracy, the so-called Office of Economic Opportunity, which H.R. 11377 would superimpose upon established departments and agencies of Government and endow with extensive supervisory and regulatory authority over existing programs and policies. The creation of such a superagency, with its poverty czar Director, cannot be justified economically, organizationally, or administratively.

The pending proposal purposely bypasses established State and local funds. It accords them no recognition. It places no responsibility on them. And it permits them no meaningful participation in the administration and development of the various activities envisioned by the bill.

This undermining of traditional State-Federal relationships and this resort to direct Federal intervention in local affairs is, in our opinion, unnecessary and unwise. It would constitute a monumental error in judgment and pose a real danger to proven precepts of American governmental practices.

The pending proposal, by delegating a host of vague and unfettered powers to a new Federal poverty czar, permitting him to embark upon competing and overlapping programs and to influence the administration of existing programs, for which Secretaries of Departments and other agency heads are responsible, will result in administrative confusion and duplication. Present antipoverty programs now involve the expenditure of at least \$10 billion of Federal funds annually. We must safeguard rather than imperil the effective administration of these programs.

This proposal is patently political in motivation. It is designed to arouse great expectations, but it contains no substance through which such hopes may be realized. It carries an authorization of less than \$1 billion; this amount, if divided among all those persons whom the administration defines as "poverty stricken," would amount to less than \$28 for each such person per year. To hold such a bill out as being truly designed to aid the poor and underprivileged is nothing more or less than political chicanery.

#### *Summary and conclusions*

We, the minority members of the House Education and Labor Committee, have been constrained to vote against the pending proposal. We have done so because we believe it represents unsound legislation and because we do not believe its enactment would be in the public interest.

Our detailed comments on the various segments of the Landrum-Powell poverty package have already been set forth in this minority report. These comments, in our opinion, demonstrate beyond question the complete inadvisability of the enactment of this legislation. The principal reasons for our opposition to the Landrum-Powell poverty package may be specifically summarized and restated as follows:

1. Existing Federal programs directed at fighting poverty are completely ignored by this bill. The Director of a new Office of Economic Opportunity is given blanket authority to set up 11 brandnew programs bureaucratically unrelated to and uncoordinated with existing antipoverty programs.
2. State and local governments can and will be completely bypassed by the Federal poverty czar.
3. This proposal is completely steeped in partisan politics; it employs poverty as a political vehicle.
4. Direct aid to religious organizations for sectarian purposes is not prohibited in community action programs under title II. The bill gives no guidelines whatsoever for involvement of charitable and religious organizations, except to prohibit general aid to education. The majority tactic of striking all reference to religious or sectarian use of Federal funds does not solve the church-state issue, it merely ignores it.
5. Title III, aimed at rural poverty, will bestow gifts and loans on the most unpromising farmers, thus undermining and contradicting the best features of the present Farmers Home Administration program. It offers a backward-looking, reactionary program that will perpetuate poverty on the farm.
6. Title III also sets up an agrarian land reform program that a Democratic member of the committee publicly described as looking like something from behind the Iron Curtain. Certainly its origin is suspect.
7. The community action program in title II is patterned after the experimental aspects of the juvenile delinquency program which has proven to be cumbersome and unworkable.
8. Title IV sets up a new, overlapping industrial loan program, permitting the poverty czar to intrude upon and supervise activities of the Small Business Administration and the ARA.



9. Vital priorities, such as the acute needs of the very young children among the poor, are completely ignored. Priorities are indispensable if limited funds are to accomplish meaningful results.

10. No provision is made to supply existing statistical agencies with adequate funds to develop the desperately needed refinements of facts and figures about the poor in America.

11. The Powell-Landrum bill completely ignores elder citizens, the largest single group among the poor.

Approved:

PETER H. B. FRELINGHUYSEN.

ROBERT P. GRIFFIN.

ALBERT H. QUIE.

CHARLES E. GOODELL.

DONALD C. BRUCE.

JOHN M. ASHBROOK.

DAVE MARTIN.

ALPHONZO BELL.

M. G. (GENE) SNYDER.

PAUL FINDLEY.

ROBERT TAFT, Jr.

## INDIVIDUAL VIEWS OF MR. FRELINGHUYSEN

I subscribe completely to the statement of minority views set forth elsewhere in this report.

In the event that Members of Congress, for one reason or another, feel that more money should be spent to alleviate poverty, and that new programs are necessary, I wish to call their attention to H.R. 11050, which I introduced on April 28, 1964. Comparison of this bill with H.R. 11377 will point up the inherent weaknesses and shortcomings of the administration's bill.

At the time I introduced H.R. 11050, I made the following statement on the floor of the House:

[From the Congressional Record (House) Apr. 28, 1964, p. 9043]

Mr. FRELINGHUYSEN. Mr. Speaker, it may be of interest to the Members to know that I have today introduced an antipoverty bill (H.R. 11050). I offer this bill as a sound alternative to H.R. 10440, the administration's poverty package. It differs in major respects from the recommendations made last month by President Johnson. It is my hope that my bill will provide a sharp contrast with Mr. Johnson's recommendations, and thus will dramatize the serious weaknesses of the administration's approach.

Unlike the administration's proposal, my bill would not establish a new Federal agency. The proposed new agency, I might add, would have almost unlimited authority to allocate almost \$1 billion as its Director sees fit. The only limitation in the distribution of funds would be that no less than eight States could be aided. Under my bill all 50 States would receive funds, under a formula based on the population of the State, its per capita income, and the number of unemployed.

My bill would rely on the 50 States to alleviate poverty in accordance with specific State plans. In testimony before the House Committee on Education and Labor this morning Mr. Shriver, without even an opportunity to read my bill, made it clear that the administration repudiates such a suggestion. He has already, therefore, rejected the tested system of relying on our States for suggestion as to ways in which the Federal Government may help States meet their own problems. He rejected as "wooden" and "restrictive" my plan to allocate funds equitably among all 50 States, and also repudiated any idea of meaningful State responsibility.

As we all know, allocation of Federal funds to all 50 States is standard practice. For example, Federal grants-in-aid are made on this basis in the recently passed Vocational Education Act, the College Academic Facilities Act, the National Defense Education Act, and many others. Indeed, this is the standard method, used in numerous Federal pro-



grams, in such fields as health, education, welfare, water pollution control, medical assistance to the aged, and medical facilities, to mention only a few.

It appears—at least on the basis of Mr. Shriver's testimony today—that the administration has lost faith in our traditional and time-tested concept of State-Federal partnership as a means to promote the general welfare. I hope this is not the case, Mr. Speaker, as I believe most Members feel as do I that our States are not anachronisms, to be bypassed and ignored, but a vital part of our governmental structure.

In any event, Mr. Speaker, my bill represents a serious effort to define further Federal responsibility in the alleviation of poverty. It would authorize a 3-year program, with \$500 million to be made available each year to the 50 States. This approach, I might point out, contrasts with the \$1 billion price tag in the first year for the administration bill, with no price tag of any kind thereafter. In my bill, furthermore, meaningful matching by the States or communities would be required in the second and third year, in contrast to the excessively large Federal share contemplated in H.R. 1040.

There are other differences in the two bills, Mr. Speaker. I trust that the House Committee on Education and Labor will explore these differences and in due course come up with sound legislation which can receive—and deserve—substantial support. As they have in the past, Republicans stand ready to help. It was on this basis that Republicans helped strengthen the vocational education legislation and the manpower development and training act, among others. The time is short, but not so short that we must be stampeded into accepting ill-considered but far-reaching legislative proposals.

In conclusion, Mr. Speaker, I would like to submit a brief analysis of my bill together with a chart showing the allocation of funds to the various States under H.R. 11050.

## THE HUMAN RESOURCES DEVELOPMENT ACT

(By Mr. Frelinghuysen)

### BRIEF SUMMARY

1. Authorizes a broad gaged 3-year, \$1.5 billion program to combat poverty.
2. Funds are allotted to the States on the basis of population, per capita income, and number of unemployed persons in each State.
3. States desiring to take part (a) designate a broadly representative State agency to administer the program and (b) submit to the Secretary of HEW a State plan designed to attack poverty.
4. The State plan provides for a coordinated State attack on poverty, involving both State and community action programs in the following fields:

(a) Special educational, work-study, vocational work-camp, and similar activities for out-of-school, unemployed youth, or for youth who need help to remain in school;

(b) Special remedial and other educational programs, and social and health programs for schools in economically or socially depressed areas, (including nonsectarian programs of a similar nature in private schools);

(c) Broad programs of social and economic redevelopment, in urban areas and rural areas, including health, housing, employment, and education, and

(d) Special programs to aid the aged and other groups of citizens to prevent dependency.

5. Federal funds must be matched one-third and one-half, respectively, in the second and third year. No matching required in the first year; reasonable value of contributed goods and services counted for matching.

6. Requires Federal agencies to conduct thorough studies of problems of use of Selective Service tests; rapid reporting of job availability; causes of unemployment; causes of educational failure, etc., and report back to the Congress within 1 year.

7. Provides for coordination of existing Federal anti-poverty programs through the Secretary of HEW, and for relating such programs to the State plans developed under this act; establishes a National Advisory Council to assist the Secretary; establishes a Federal Commission on Poverty composed of agency heads, Members of Congress, and public members to study existing Federal antipoverty programs and recommend coordination, combination, or revision of Federal laws.

Estimated distribution of 500 million with 50 percent on the basis of population; 25 percent on the basis of State products (population and per capita income) with limits of 25-75 percent; and 25 percent on the basis of number of unemployed persons.

|                                         | <i>Estimated State<br/>amounts<sup>1</sup></i> |
|-----------------------------------------|------------------------------------------------|
| United States and outlying parts.....   | \$500, 000, 000                                |
| 50 States and District of Columbia..... | 491, 342, 579                                  |
| Alatama.....                            | 9, 330, 273                                    |
| Alaska.....                             | 653, 768                                       |
| Arizona.....                            | 3, 917, 958                                    |
| Arkansas.....                           | 5, 221, 486                                    |
| California.....                         | 43, 819, 236                                   |
| Colorado.....                           | 4, 771, 790                                    |
| Connecticut.....                        | 6, 439, 419                                    |
| Delaware.....                           | 1, 104, 436                                    |
| Florida.....                            | 15, 080, 652                                   |
| Georgia.....                            | 10, 983, 732                                   |
| Hawaii.....                             | 1, 704, 423                                    |
| Idaho.....                              | 1, 942, 707                                    |

<sup>1</sup> Minimum of \$100,000.

Sources: Total population: Department of Commerce, Bureau of the Census, "Current Population Reports," series P-25, No. 273, resident population as of July 1, 1963, for 50 States, District of Columbia, and Puerto Rico; for American Samoa, Guam, Virgin Islands, series P-25, No. 272, population as of July 1, 1962.

Unemployed persons: U.S. Department of Labor, "Manpower Report of the President," table D-3, p. 234, unemployment data for 1962. Data for American Samoa, Guam, Virgin Islands not available and arbitrarily assigned \$25,000 for this part of the allocation.



|                           | <i>Estimated State<br/>amounts</i> |
|---------------------------|------------------------------------|
| Illinois.....             | \$25,080,408                       |
| Indiana.....              | 12,015,352                         |
| Iowa.....                 | 6,639,612                          |
| Kansas.....               | 5,370,013                          |
| Kentucky.....             | 8,574,822                          |
| Louisiana.....            | 9,543,120                          |
| Maine.....                | 2,675,962                          |
| Maryland.....             | 8,100,750                          |
| Massachusetts.....        | 13,537,190                         |
| Michigan.....             | 21,695,274                         |
| Minnesota.....            | 9,338,188                          |
| Mississippi.....          | 6,370,191                          |
| Missouri.....             | 11,451,681                         |
| Montana.....              | 1,827,252                          |
| Nebraska.....             | 3,517,464                          |
| Nevada.....               | 875,602                            |
| New Hampshire.....        | 1,541,425                          |
| New Jersey.....           | 16,841,570                         |
| New Mexico.....           | 2,612,249                          |
| New York.....             | 44,816,443                         |
| North Carolina.....       | 12,611,117                         |
| North Dakota.....         | 1,690,074                          |
| Ohio.....                 | 26,327,499                         |
| Oklahoma.....             | 6,491,896                          |
| Oregon.....               | 4,764,487                          |
| Pennsylvania.....         | 33,652,292                         |
| Rhode Island.....         | 2,502,803                          |
| South Carolina.....       | 6,669,959                          |
| South Dakota.....         | 1,767,887                          |
| Tennessee.....            | 10,292,317                         |
| Texas.....                | 26,542,529                         |
| Utah.....                 | 2,498,730                          |
| Vermont.....              | 1,078,998                          |
| Virginia.....             | 10,516,105                         |
| Washington.....           | 7,749,656                          |
| West Virginia.....        | 5,779,635                          |
| Wisconsin.....            | 10,029,335                         |
| Wyoming.....              | 920,024                            |
| District of Columbia..... | 2,062,788                          |
| American Samoa.....       | 100,000                            |
| Canal Zone.....           |                                    |
| Guam.....                 | 176,632                            |
| Puerto Rico.....          | 8,271,739                          |
| Virgin Islands.....       | 109,050                            |

If any action to alleviate poverty is to be taken by the Congress at this time, it is my belief that the program and procedure set forth in H.R. 11050 represents a much more acceptable and effective undertaking than the program outlined in the pending bill. In that light, I commend H.R. 11050 to my colleagues for their consideration.

PETER H. B. FRELINGHUYSEN,  
Member of Congress.



Union Calendar No. 617

88TH CONGRESS  
2D SESSION

# H. R. 11377

[Report No. 1458]

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## IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1964

Mr. LANDRUM introduced the following bill; which was referred to the Committee on Education and Labor

JUNE 3, 1964

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Economic Opportunity  
4        Act of 1964".

### 5                FINDINGS AND DECLARATION OF PURPOSE

6        SEC. 2. Although the economic well-being and prosperity  
7        of the United States have progressed to a level surpassing  
8        any achieved in world history, and although these benefits  
9        are widely shared throughout the Nation, poverty continues  
10       to be the lot of a substantial number of our people. The  
11       United States can achieve its full economic and social poten-



1 tial as a nation only if every individual has the opportunity  
2 to contribute to the full extent of his capabilities and to par-  
3 ticipate in the workings of our society. It is, therefore, the  
4 policy of the United States to eliminate the paradox of  
5 poverty in the midst of plenty in this Nation by opening to  
6 everyone the opportunity for education and training, the  
7 opportunity to work, and the opportunity to live in decency  
8 and dignity. It is the purpose of this Act to strengthen,  
9 supplement, and coordinate efforts in furtherance of that  
10 policy.

## 11 TITLE I—YOUTH PROGRAMS

### 12 PART A—JOB CORPS

#### 13 STATEMENT OF PURPOSE

14 SEC. 101. The purpose of this part is to prepare for the  
15 responsibilities of citizenship and to increase the employa-  
16 bility of young men and young women aged sixteen through  
17 twenty-one by providing them in rural and urban residential  
18 centers with education, vocational training, useful work ex-  
19 perience, including work directed toward the conservation of  
20 natural resources, and other appropriate activities.

#### 21 ESTABLISHMENT OF JOB CORPS

22 SEC. 102. In order to carry out the purposes of this  
23 part, there is hereby established within the Office of Eco-  
24 nomic Opportunity (hereinafter referred to as the "Office"),

1 established by title VI, a Job Corps (hereinafter referred to  
2 as the "Corps").

3                                   JOB CORPS PROGRAM

4       SEC. 103. The Director of the Office (hereinafter  
5 referred to as the "Director") is authorized to—

6           (a) enter into agreements with any Federal, State,  
7 or local agency or private organization for the establish-  
8 ment and operation, in rural and urban areas, of con-  
9 servation camps and training centers and for the pro-  
10 vision of such facilities and services as in his judgment  
11 are needed to carry out the purposes of this part, includ-  
12 ing agreements with agencies charged with the respon-  
13 sibility of conserving, developing, and managing the  
14 public natural resources of the Nation and of develop-  
15 ing, managing, and protecting public recreational areas,  
16 whereby the enrollees of the Corps may be utilized by  
17 such agencies in carrying out, under the immediate super-  
18 vision of such agencies, programs planned and designed  
19 by such agencies to fulfill such responsibility, and includ-  
20 ing agreements for a botanical survey program involving  
21 surveys and maps of existing vegetation and investiga-  
22 tions of the plants, soils, and environments of natural  
23 and disturbed plant communities;

24           (b) arrange for the provision of education and



1 vocational training of enrollees in the Corps: *Provided*,  
2 That, where practicable, such programs may be pro-  
3 vided through local public educational agencies or by  
4 private vocational educational institutions or technical  
5 institutes where such institutions or institutes can pro-  
6 vide substantially equivalent training with reduced Fed-  
7 eral expenditures;

8 (c) provide or arrange for the provision of pro-  
9 grams of useful work experience and other appropriate  
10 activities for enrollees;

11 (d) establish standards of safety and health for  
12 enrollees, and furnish or arrange for the furnishing of  
13 health services; and

14 (e) prescribe such rules and regulations and make  
15 such arrangements as he deems necessary to provide  
16 for the selection of enrollees and to govern their conduct  
17 after enrollment, including appropriate regulations as  
18 to the circumstances under which enrollment may be  
19 terminated.

#### 20 COMPOSITION OF THE CORPS

21 SEC. 104. (a) The Corps shall be composed of young  
22 men and young women who are permanent residents of the  
23 United States, who have attained age sixteen but have not  
24 attained age twenty-two at the time of enrollment, and  
25 who meet the standards for enrollment prescribed by the

1 Director. Participation in the Corps shall not relieve any  
2 enrollee of obligations under the Universal Military Training  
3 and Service Act (50 U.S.C. App. 451 et seq.). Only in  
4 exceptional cases shall enrollees in the Corps be graduates  
5 of an accredited high school, and no person shall be ac-  
6 cepted for enrollment in the Corps unless the local school  
7 authorities have concluded that further school attendance  
8 by such person in any regular academic, vocational, or train-  
9 ing program, is not practicable.

10 (b) In order to enroll as a member of the Corps, an  
11 individual must agree to comply with rules and regulations  
12 promulgated by the Director for the government of the  
13 Corps.

14 (c) The total enrollment of any individual in the Corps  
15 shall not exceed two years except as the Director may deter-  
16 mine in special cases.

#### 17 ALLOWANCE AND MAINTENANCE

18 SEC. 105. (a) Enrollees may be provided with such  
19 living, travel, and leave allowances, and such quarters, sub-  
20 sistence, transportation, equipment, clothing, recreational  
21 services, medical, dental, hospital, and other health services,  
22 and other expenses as the Director may deem necessary or  
23 appropriate for their needs. Transportation and travel al-  
24 lowances may also be provided, in such circumstances as the  
25 Director may determine, for applicants for enrollment to or



1 from places of enrollment, and for former enrollees from  
2 places of termination to their homes.

3 (b) Upon termination of his or her enrollment in the  
4 Corps, each enrollee shall be entitled to receive a readjust-  
5 ment allowance at a rate not to exceed \$50 for each month  
6 of satisfactory participation therein as determined by the  
7 Director: *Provided, however,* That under such circumstances  
8 as the Director may determine a portion of the readjust-  
9 ment allowance of an enrollee not exceeding \$25 for each  
10 month of satisfactory service may be paid during the period  
11 of service of the enrollee directly to a member of his or her  
12 family (as defined in section 608 (c) ) and any sum so paid  
13 shall be supplemented by the payment of an equal amount  
14 to the dependent by the Director. In the event of the en-  
15 rollee's death during the period of his or her service, the  
16 amount of any unpaid readjustment allowance shall be paid in  
17 accordance with the provisions of section 1 of the Act of  
18 August 3, 1950 (5 U.S.C. 61f) .

19 APPLICATION OF PROVISIONS OF FEDERAL LAW

20 SEC. 106. (a) Except as otherwise specifically provided  
21 in this part, an enrollee shall be deemed not to be a Federal  
22 employee and shall not be subject to the provisions of laws  
23 relating to Federal employment, including those relating to  
24 hours of work, rates of compensation, leave, unemployment  
25 compensation, and Federal employee benefits.

1 (b) Enrollees shall be deemed to be employees of the  
2 United States for the purposes of the Internal Revenue Code  
3 of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social  
4 Security Act (42 U.S.C. 401 et seq.), and any service per-  
5 formed by an individual as an enrollee shall be deemed for  
6 such purposes to be performed in the employ of the United  
7 States.

8 (c) (1) Enrollees under this part shall, for the purposes  
9 of the administration of the Federal Employees' Compensa-  
10 tion Act (5 U.S.C. 751 et seq.), be deemed to be civil  
11 employees of the United States within the meaning of the  
12 term "employee" as defined in section 40 of such Act (5  
13 U.S.C. 790) and the provisions thereof shall apply except as  
14 hereinafter provided.

15 (2) For purposes of this subsection:

16 (A) The term "performance of duty" in the Federal  
17 Employees' Compensation Act shall not include any act  
18 of an enrollee—

19 (i) while on authorized leave or pass; or

20 (ii) while absent from his or her assigned post  
21 of duty, except while participating in an activity author-  
22 ized by or under the direction or supervision of the  
23 Corps.

24 (B) In computing compensation benefits for disability  
25 or death under the Federal Employees' Compensation Act,



1 the monthly pay of an enrollee shall be deemed to be \$150,  
2 except that with respect to compensation for disability ac-  
3 cruing after the individual concerned reaches the age of  
4 twenty-one, such monthly pay shall be deemed to be that  
5 received under the entrance salary for GS-2 under the  
6 Classification Act of 1949 (5 U.S.C. 1071 et seq.), and  
7 section 6 (d) (1) of the latter Act shall apply to enrollees.

8 (C) Compensation for disability shall not begin to ac-  
9 crue until the day following the date on which the enrollment  
10 of the injured enrollee is terminated.

11 (d) An enrollee shall be deemed to be an employee of  
12 the Government for the purposes of the Federal tort claims  
13 provisions of title 28, United States Code.

14 (e) Personnel of the uniformed services who are de-  
15 tailed or assigned to duty in the performance of agreements  
16 made by the Director for the support of the Corps shall not  
17 be counted in computing strengths under any law limiting  
18 the strength of such services or in computing the percentage  
19 authorized by law for any grade therein.

## 20 PART B—WORK-TRAINING PROGRAMS

### 21 STATEMENT OF PURPOSE

22 SEC. 111. The purpose of this part is to provide useful  
23 work experience opportunities for unemployed young men  
24 and young women, through participation in State and com-  
25 munity work-training programs, so that their employability

1 may be increased or their education resumed or continued  
2 and so that public agencies and private nonprofit organiza-  
3 tions will be enabled to carry out programs which will permit  
4 or contribute to an undertaking or service in the public in-  
5 terest that would not otherwise be provided, or will con-  
6 tribute to the conservation and development of natural re-  
7 sources and recreational areas.

#### 8 DEVELOPMENT OF PROGRAMS

9 SEC. 112. In order to carry out the purposes of this  
10 part, the Director shall assist and cooperate with State and  
11 local agencies and private nonprofit organizations in devel-  
12 oping programs for the employment of young people in State  
13 and community activities hereinafter authorized, which,  
14 whenever appropriate, shall be coordinated with programs  
15 of training and education provided by local public educa-  
16 tional agencies.

#### 17 FINANCIAL ASSISTANCE

18 SEC. 113. (a) The Director is authorized to enter into  
19 agreements providing for the payment by him of part or all  
20 of the cost of a State or local program submitted hereunder  
21 if he determines, in accordance with such regulations as he  
22 may prescribe, that—

23 (1) enrollees in the program will be employed  
24 either (A) on publicly owned and operated facilities or



1 projects, or (B) on local projects sponsored by private  
2 nonprofit organizations, other than projects involving  
3 the construction, operation, or maintenance of any facil-  
4 ity used or to be used solely for sectarian instruction or  
5 as a place for religious worship;

6 (2) the program will increase the employability  
7 of the enrollees by providing work experience and train-  
8 ing in occupational skills or pursuits in classifications  
9 in which the Director finds there is a reasonable expect-  
10 ation of employment, or will enable student enrollees to  
11 resume or to maintain school attendance;

12 (3) the program will permit or contribute to an  
13 undertaking or service in the public interest that would  
14 not otherwise be provided, or will contribute to the con-  
15 servation, development, or management of the natural  
16 resources of the State or community or to the develop-  
17 ment, management, or protection of State or community  
18 recreational areas;

19 (4) the program will not result in the displacement  
20 of employed workers or impair existing contracts for  
21 services;

22 (5) the rates of pay and other conditions of em-  
23 ployment will be appropriate and reasonable in the  
24 light of such factors as the type of work performed,  
25 geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

#### ENROLLEES IN PROGRAMS

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.



1       (b) Enrollees shall be deemed not to be Federal em-  
2 ployees and shall not be subject to the provisions of laws  
3 relating to Federal employment, including those relating to  
4 hours of work, rates of compensation, leave, unemployment  
5 compensation, and Federal employee benefits.

6       (c) Where appropriate to carry out the purposes of this  
7 Act, the Director may provide for testing, counseling, job  
8 development, and referral services to youths through public  
9 agencies or private nonprofit organizations.

10                   LIMITATIONS ON FEDERAL ASSISTANCE

11       SEC. 115. Federal assistance to any program pursuant to  
12 this part paid for the period ending two years after the date  
13 of enactment of this Act, or June 30, 1966, whichever is  
14 later, shall not exceed 90 per centum of the costs of such  
15 program, including costs of administration, and such assist-  
16 ance paid for periods thereafter shall not exceed 50 per  
17 centum of such costs, unless the Director determines, pursuant  
18 to regulations adopted and promulgated by him establishing  
19 objective criteria for such determinations, that assistance in  
20 excess of such percentages is required in furtherance of the  
21 purposes of this part. Non-Federal contributions may be in  
22 cash or in kind, fairly evaluated, including but not limited to  
23 plant, equipment, and services.

## EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than  $12\frac{1}{2}$  per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

## PART C—WORK-STUDY PROGRAMS

## STATEMENT OF PURPOSE

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

## ALLOTMENTS TO STATES

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respec-



1 tive needs for assistance under this part. The remainder  
2 of the sums so reserved shall be allotted among the States  
3 as provided in subsection (b).

4 (b) Of the sums being allotted under this subsection—

5 (1) one-third shall be allotted by the Director  
6 among the States so that the allotment to each State un-  
7 der this clause will be an amount which bears the same  
8 ratio to such one-third as the number of persons en-  
9 rolled on a full-time basis in institutions of higher educa-  
10 tion in such State bears to the total number of persons  
11 enrolled on a full-time basis in institutions of higher  
12 education in all the States,

13 (2) one-third shall be allotted by the Director  
14 among the States so that the allotment to each State  
15 under this clause will be an amount which bears the  
16 same ratio to such one-third as the number of high school  
17 graduates (as defined in section 103 (d) (3) of the  
18 Higher Education Facilities Act of 1963) of such  
19 State bears to the total number of such high school  
20 graduates of all the States, and

21 (3) one-third shall be allotted by him among the  
22 States so that the allotment to each State under this  
23 clause will be an amount which bears the same ratio to  
24 such one-third as the number of related children under

1      eighteen years of age living in families with annual  
2      incomes of less than \$3,000 in such State bears to the  
3      number of related children under eighteen years of age  
4      living in families with annual incomes of less than  
5      \$3,000 in all the States.

6      (c) The amount of any State's allotment which has not  
7      been granted to an institution of higher education under  
8      section 123 at the end of the fiscal year for which appro-  
9      priated shall be reallocated by the Director, in such manner as  
10     he determines will best assist in achieving the purposes of  
11     this Act. Amounts reallocated under this subsection shall be  
12     available for making grants under section 123 until the close  
13     of the fiscal year next succeeding the fiscal year for which  
14     appropriated.

15     (d) For purposes of this section, the term "State" does  
16     not include Puerto Rico, Guam, American Samoa, and the  
17     Virgin Islands.

18                    GRANTS FOR WORK-STUDY PROGRAMS

19     SEC. 123. The Director is authorized to enter into  
20     agreements with institutions of higher education (as defined  
21     by section 103 of the National Defense Education Act of  
22     1958 (20 U.S.C. 403) ) under which the Director will make  
23     grants to such institutions to assist in the operation of work-  
24     study programs as hereinafter provided.



## 1 CONDITIONS OF AGREEMENTS

2 SEC. 124. An agreement entered into pursuant to sec-  
3 tion 122 shall—

4 (a) provide for the operation by the institution of  
5 a program for the part-time employment of its students  
6 in work—

7 (1) for the institution itself, or

8 (2) for a public or private nonprofit organiza-  
9 tion when the position is obtained through an ar-  
10 rangement between the institution and such an orga-  
11 nization and—

12 (A) the work is related to the student's  
13 educational objective, or

14 (B) such work (i) will be in the public  
15 interest and is work which would not otherwise  
16 be provided, (ii) will not result in the displace-  
17 ment of employed workers or impair existing  
18 contracts for services, and (iii) will be governed  
19 by such conditions of employment as will be  
20 appropriate and reasonable in light of such fac-  
21 tors as the type of work performed, geographi-  
22 cal region, and proficiency of the employee:

23 *Provided, however,* That no such work shall involve the  
24 construction, operation, or maintenance of any facility

1 used or to be used solely for sectarian instruction or as a  
2 place for religious worship;

3 (b) provide that funds granted an institution of  
4 higher education, pursuant to section 123 may be used  
5 only to make payments to students participating in  
6 work-study programs, except that an institution may use  
7 a portion of the sums granted to it to meet administra-  
8 tive expenses, but the amount so used may not exceed  
9 5 per centum of the payments made by the Director to  
10 such institution for that part of the work-study program  
11 in which students are working for public or nonprofit  
12 organizations other than the institution itself;

13 (c) provide that employment under such work-  
14 study program shall be furnished only to a student who  
15 (1) is from a low-income family, (2) is in need of the  
16 earnings from such employment in order to pursue a  
17 course of study at such institution, (3) is capable, in the  
18 opinion of the institution, of maintaining good standing in  
19 such course of study while employed under the program  
20 covered by the agreement, and (4) has been accepted  
21 for enrollment as a full-time student at the institution or,  
22 in the case of a student already enrolled in and attending  
23 the institution, is in good standing and in full-time attend-



1       ance there either as an undergraduate, graduate, or  
2       professional student;

3           (d) provide that no student shall be employed  
4       under such work-study program for more than fifteen  
5       hours in any week in which classes in which he is en-  
6       rolled are in session;

7           (e) provide that in each fiscal year during which  
8       the agreement remains in effect, the institution shall ex-  
9       pend (from sources other than payments under this  
10      part) for the employment of its students (whether or not  
11      in employment eligible for assistance under this part)  
12      an amount that is not less than its average annual ex-  
13      penditure for such employment during the three fiscal  
14      years preceding the fiscal year in which the agreement is  
15      entered into;

16          (f) provide that the compensation of students em-  
17      ployed in the work-study program in accordance with  
18      the agreement will not exceed (1) in the case of work  
19      for the institution itself, 90 per centum of such compen-  
20      sation for work performed during the period ending two  
21      years after the date of enactment of this Act, or June  
22      30, 1966, whichever is later, and 75 per centum there-  
23      after; or (2) in the case of work for public agencies or  
24      private nonprofit organizations, 50 per centum of such  
25      compensation.

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### SOURCES OF MATCHING FUNDS

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized



1 to be appropriated the sum of \$412,500,000 for the fiscal  
2 year ending June 30, 1965; and for the fiscal year ending  
3 June 30, 1966, and the fiscal year ending June 30, 1967,  
4 such sums may be appropriated as the Congress may here-  
5 after authorize by law.

## 6 TITLE II—URBAN AND RURAL COMMUNITY

### 7 ACTION PROGRAMS

#### 8 PART A—GENERAL COMMUNITY ACTION PROGRAMS

##### 9 STATEMENT OF PURPOSE

10 SEC. 201. The purpose of this part is to provide stim-  
11 ulation and incentive for urban and rural communities to  
12 mobilize their resources to combat poverty through com-  
13 munity action programs.

##### 14 COMMUNITY ACTION PROGRAMS

15 SEC. 202. (a) The term “community action program”  
16 means a program—

17 (1) which mobilizes and utilizes resources, public  
18 or private, of any urban or rural, or combined urban  
19 and rural, geographical area (referred to in this part as  
20 a “community”), including but not limited to a State,  
21 metropolitan area, county, city, town, multicity unit, or  
22 multicounty unit in an attack on poverty;

23 (2) which provides services, assistance, and other  
24 activities of sufficient scope and size to give promise of

1 progress toward elimination of poverty or a cause or  
2 causes of poverty through developing employment op-  
3 portunities, improving human performance, motivation,  
4 and productivity, or bettering the conditions under  
5 which people live, learn, and work;

6 (3) which is developed, conducted, and adminis-  
7 tered with the maximum feasible participation of resi-  
8 dents of the areas and members of the groups referred  
9 to in section 204 (a) ; and

10 (4) which is conducted, administered, or coordi-  
11 nated by a public or private nonprofit agency, or a combi-  
12 nation thereof.

13 (b) The Director is authorized to prescribe such addi-  
14 tional criteria for programs carried on under this part as he  
15 shall deem appropriate.

#### 16 ALLOTMENTS TO STATES

17 SEC. 203. (a) From the sums appropriated to carry  
18 out this title for a fiscal year, the Director shall reserve the  
19 amount needed for carrying out sections 204 and 205. Not  
20 to exceed 2 per centum of the amount so reserved shall be  
21 allotted by the Director among Puerto Rico, Guam, Ameri-  
22 can Samoa, and the Virgin Islands according to their re-  
23 spective needs for assistance under this part. Twenty per  
24 centum of the amount so reserved shall be allotted among



1 the States as the Director shall determine. The remainder  
2 of the sums so reserved shall be allotted among the States  
3 as provided in subsection (b).

4 (b) Of the sums being allotted under this subsection—

5 (1) one-third shall be allotted by the Director  
6 among the States so that the allotment to each State  
7 under this clause will be an amount which bears the  
8 same ratio to such one-third as the number of public  
9 assistance recipients in such State bears to the total  
10 number of public assistance recipients in all the States;

11 (2) one-third shall be allotted by him among the  
12 States so that the allotment to each State under this  
13 clause will be an amount which bears the same ratio to  
14 such one-third as the annual average number of persons  
15 unemployed in such State bears to the annual average  
16 number of persons unemployed in all the States; and

17 (3) the remaining one-third shall be allotted by him  
18 among the States so that the allotment to each State  
19 under this clause will be an amount which bears the  
20 same ratio to such one-third as the number of related  
21 children under 18 years of age living in families with  
22 incomes of less than \$1,000 in such State bears to the  
23 number of related children under 18 years of age living  
24 in families with incomes of less than \$1,000 in all the  
25 States.

1       (c) The portion of any State's allotment under sub-  
2 section (a) for a fiscal year which the Director determines  
3 will not be required, for such fiscal year for carrying out this  
4 part shall be available for reallocation from time to time,  
5 on such dates during such year as the Director may fix, to  
6 other States in proportion to their original allotments for such  
7 year, but with such proportionate amount for any of such  
8 other States being reduced to the extent it exceeds the sum  
9 which the Director estimates such State needs and will be  
10 able to use for such year for carrying out this part; and the  
11 total of such reductions shall be similarly reallocated among  
12 the States whose proportionate amounts are not so reduced.  
13 Any amount reallocated to a State under this subsection during  
14 a year shall be deemed part of its allotment under subsection  
15 (a) for such year.

16       (d) For the purposes of this section, the term "State"  
17 does not include Puerto Rico, Guam, American Samoa, and  
18 the Virgin Islands.

19           FINANCIAL ASSISTANCE FOR DEVELOPMENT OF  
20                   COMMUNITY ACTION PROGRAMS

21       SEC. 204. The Director is authorized to make grants to,  
22 or to contract with, appropriate public or private nonprofit  
23 agencies, or combinations thereof, to pay part or all of the  
24 costs of development of community action programs.



1 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRATION  
2 TION OF COMMUNITY ACTION PROGRAMS

3 SEC. 205. (a) The Director is authorized to make  
4 grants to, or to contract with, public or private nonprofit  
5 agencies, or combinations thereof, to pay part or all of the  
6 costs of community action programs which have been ap-  
7 proved by him pursuant to this part, including the cost of  
8 carrying out programs which are components of a com-  
9 munity action program and which are designed to achieve  
10 the purposes of this part. Such component programs shall  
11 be focused upon the needs of low-income individuals and  
12 families and shall provide expanded and improved services,  
13 assistance, and other activities, and facilities necessary in  
14 connection therewith. Such programs shall be conducted  
15 in those fields which fall within the purposes of this part  
16 including employment, job training and counseling, health,  
17 vocational rehabilitation, housing, home management, wel-  
18 fare, and special remedial and other noncurricular educa-  
19 tional assistance for the benefit of low-income individuals and  
20 families.

21 (b) No grant or contract authorized under this part  
22 may provide for general aid to elementary or secondary  
23 education in any school or school system.

24 (c) In determining whether to extend assistance under  
25 this section the Director shall consider among other relevant

1 factors the incidence of poverty within the community and  
2 within the areas or groups to be affected by the specific  
3 program or programs, and the extent to which the appli-  
4 cant is in a position to utilize efficiently and expeditiously  
5 the assistance for which application is made. In deter-  
6 mining the incidence of poverty the Director shall consider  
7 information available with respect to such factors as: the  
8 concentration of low-income families, particularly those  
9 with children; the extent of persistent unemployment and  
10 underemployment; the number and proportion of persons  
11 receiving cash or other assistance on a needs basis from  
12 public agencies or private organizations; the number of mi-  
13 grant or transient low-income families; school dropout rates,  
14 military service rejection rates, and other evidences of low  
15 educational attainment; the incidence of disease, disability,  
16 and infant mortality; housing conditions; adequacy of com-  
17 munity facilities and services; and the incidence of crime  
18 and juvenile delinquency.

19 (d) In extending assistance under this section the Di-  
20 rector shall give special consideration to programs which  
21 give promise of effecting a permanent increase in the capacity  
22 of individuals, groups, and communities to deal with their  
23 problems without further assistance.



1                                    TECHNICAL ASSISTANCE

2            SEC. 206. The Director is authorized to provide, either  
3 directly or through grants or other arrangements, (1)  
4 technical assistance to communities in developing, con-  
5 ducting, and administering community action programs, and  
6 (2) training for specialized personnel needed to develop,  
7 conduct, or administer such programs or to provide services  
8 or other assistance thereunder.

9                                    RESEARCH, TRAINING, AND DEMONSTRATIONS

10          SEC. 207. The Director is authorized to conduct, or to  
11 make grants to or enter into contracts with institutions of  
12 higher education or other appropriate public agencies or  
13 private nonprofit organizations for the conduct of, research,  
14 training, and demonstrations pertaining to the purposes of  
15 this part. Expenditures under this section in any fiscal year  
16 shall not exceed 15 per centum of the sums appropriated  
17 or allocated for such year to carry out the purposes of this  
18 part.

19                                    LIMITATIONS ON FEDERAL ASSISTANCE

20          SEC. 208. (a) Assistance pursuant to sections 204 and  
21 205 paid for the period ending two years after the date of  
22 enactment of this Act, or June 30, 1966, whichever is later,  
23 shall not exceed 90 per centum of the costs referred to in  
24 those sections, respectively, and thereafter shall not exceed  
25 50 per centum of such costs, unless the Director determines,

1 pursuant to regulations adopted and promulgated by him  
2 establishing objective criteria for such determinations, that  
3 assistance in excess of such percentages is required in  
4 furtherance of the purposes of this part. Non-Federal con-  
5 tributions may be in cash or in kind, fairly evaluated,  
6 including but not limited to plant, equipment, and services.

7 (b) The expenditures or contributions made from non-  
8 Federal sources for a community action program or  
9 component thereof shall be in addition to the aggregate  
10 expenditures or contributions from non-Federal sources  
11 which were being made for similar purposes prior to the  
12 extension of Federal assistance.

13 PARTICIPATION OF STATE AGENCIES

14 SEC. 209. (a) The Director shall establish procedures  
15 which will facilitate effective participation of the States in  
16 community action programs. Such procedures shall include  
17 provision for the referral of applications for assistance under  
18 this part to the Governor of each State affected, or his  
19 designee, for such comments as he may deem appropriate.

20 (b) The Director is authorized to make grants to, or  
21 to contract with, appropriate State agencies for the payment  
22 of the expenses of such agencies in providing technical assist-  
23 ance to communities in developing, conducting, and admin-  
24 istering community action programs.



## 1                   EQUITABLE DISTRIBUTION OF ASSISTANCE

2           SEC. 210. The Director shall establish criteria designed  
3 to achieve an equitable distribution of assistance under this  
4 part within the States between urban and rural areas. In  
5 developing such criteria, he shall consider the relative num-  
6 bers in the States or areas therein of: (1) low-income  
7 families, particularly those with children; (2) unemployed  
8 persons; (3) persons receiving cash or other assistance on  
9 a needs basis from public agencies or private organizations;  
10 (4) school dropouts; (5) adults with less than an eighth-  
11 grade education; and (6) persons rejected for military  
12 service.

## 13                   PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

14           SEC. 211. In determining whether to extend assistance  
15 under any other title of this Act, the Director shall, to the  
16 extent feasible, give preference to programs and projects  
17 which are components of a community action program ap-  
18 proved pursuant to this part.

## 19                   PART B—ADULT BASIC EDUCATION PROGRAMS

## 20                               DECLARATION OF PURPOSE

21           SEC. 212. It is the purpose of this part to initiate pro-  
22 grams of instruction for adults whose inability to read and  
23 write the English language constitutes a substantial impair-  
24 ment of their ability to get or retain employment commen-  
25 surate with their real ability, so as to help eliminate such in-

1 ability and raise the level of education of such adults with  
2 a view to making them less likely to become dependent on  
3 others, improving their ability to benefit from occupational  
4 training and otherwise increasing their opportunities for more  
5 productive and profitable employment, and making them bet-  
6 ter able to meet their adult responsibilities.

#### 7 GRANTS TO STATES

8 SEC. 213. (a) From the sums appropriated to carry out  
9 this title, the Director shall make grants to States which have  
10 State plans approved by him under this section.

11 (b) Grants under subsection (a) may be used, in ac-  
12 cordance with regulations of the Director, to—

13 (1) assist in establishment of pilot projects by local  
14 educational agencies, relating to instruction in public  
15 schools, or other facilities used for the purpose by such  
16 agencies, of adults described in section 211, to (A) dem-  
17 onstrate, test, or develop modifications, or adaptations  
18 in the light of local needs, of special materials or meth-  
19 ods for instruction of such adults, (B) stimulate the  
20 development of local educational agency programs for  
21 instruction of such adults in such schools or other facili-  
22 ties, and (C) acquire additional information concerning  
23 the materials or methods needed for an effective program  
24 for raising adult basic educational skills;

25 (2) assist in meeting the cost of local educational



1 agency programs for instruction of such adults in such  
2 schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

## 6 STATE PLANS

7 SEC. 214. (a) The Director shall approve for purposes  
8 of this part the plan of a State which—

9                   (1) provides for administration thereof by the State  
10               educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies) ;

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health informa-

tion and services for adults described in section 211 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 212 (b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of adults described in section 211.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### ALLOTMENTS

SEC. 215. (a) From the sums allocated for grants to States under section 212 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a



1 fiscal year shall be allotted by the Director on the basis  
2 of the relative number of adults in each State who have com-  
3 pleted not more than five grades of school or have not  
4 achieved an equivalent level of education, as determined by  
5 the Director on the basis of the best and most recent infor-  
6 mation available to him, including any relevant data fur-  
7 nished to him by the Department of Commerce. The amount  
8 allotted to any State under the preceding sentence for any  
9 fiscal year which is less than \$50,000 shall be increased to  
10 that amount, the total thereby required being derived by  
11 proportionately reducing the amount allotted to each of the  
12 remaining States under the preceding sentence, but with  
13 such adjustments as may be necessary to prevent the allot-  
14 ment of any of such remaining States from being thereby  
15 reduced to less than \$50,000. For the purposes of this  
16 subsection, the term "State" shall not include Puerto Rico,  
17 Guam, American Samoa, and the Virgin Islands.

18 (b) The portion of any State's allotment under sub-  
19 section (a) for a fiscal year which the Director determines  
20 will not be required, for the period such allotment is avail-  
21 able, for carrying out the State plan (if any) approved under  
22 this part shall be available for reallocation from time to time,  
23 on such dates during such period as the Director may fix, to  
24 other States in proportion to the original allotments to such  
25 States under subsection (a) for such year, but with such

1 proportionate amount for any of such other States being  
2 reduced to the extent it exceeds the sum which the Director  
3 estimates such State needs and will be able to use for such  
4 period for carrying out its State plan approved under this  
5 part; and the total of such reductions shall be similarly  
6 reallocated among the States whose proportionate amounts  
7 are not so reduced. Any amount reallocated to a State under  
8 this subsection during a year shall be deemed part of its  
9 allotment under subsection (a) for such year.

10 (c) The allotment of any State under subsection (a)  
11 for the fiscal year ending June 30, 1965, shall, except to the  
12 extent reallocated under subsection (b), remain available  
13 until June 30, 1966, for obligation by such State for carry-  
14 ing out its State plan approved under this part.

#### 15 PAYMENTS

16 SEC. 216. (a) From a State's allotment available for  
17 the purpose, the Federal share of expenditures, under its  
18 State plan, for the purposes set forth in section 212 (b) shall  
19 be paid to such State. Such payments shall be made in  
20 advance on the basis of estimates by the Director; and may  
21 be made in such installments as the Director may determine,  
22 after making appropriate adjustments to take account of  
23 previously made overpayments or underpayments; except  
24 that no such payments shall be made for any fiscal year un-



1 less the Director finds that the amount available for expendi-  
2 tures for adult basic educational programs and services from  
3 State sources for such year will be not less than the amount  
4 expended for such purposes from such sources during the  
5 preceding fiscal year.

6 (b) For the fiscal year ending June 30, 1965, and the  
7 fiscal year ending June 30, 1966, the Federal share for each  
8 State shall be 90 per centum. For the succeeding fiscal year  
9 the Federal share for any State shall be 50 per centum.

#### 10 OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL

#### 11 REVIEW

12 SEC. 217. (a) Whenever the Director, after reasonable  
13 notice and opportunity for hearing to the State educational  
14 agency administering a State plan approved under this part,  
15 finds that—

16 (1) the State plan has been so changed that it no  
17 longer complies with the provisions of section 213, or

18 (2) in the administration of the plan there is a  
19 failure to comply substantially with any such provision,  
20 the Director shall notify such State agency that no further  
21 payments will be made to the State under this part (or in  
22 his discretion, that further payments to the State will be  
23 limited to programs under or portions of the State plan not

1 affected by such failure), until he is satisfied that there  
2 will no longer be any failure to comply. Until he is so  
3 satisfied, no further payments may be made to such State  
4 under this part (or payments shall be limited to programs  
5 under or portions of the State plan not affected by such  
6 failure).

7 (b) A State educational agency dissatisfied with a final  
8 action of the Director under section 213 or subsection (a)  
9 of this section may appeal to the United States court of  
10 appeals for the circuit in which the State is located, by  
11 filing a petition with such court within sixty days after such  
12 final action. A copy of the petition shall be forthwith trans-  
13 mitted by the clerk of the court to the Director, or any officer  
14 designated by him for that purpose. The Director thereupon  
15 shall file in the court the record of the proceedings on which  
16 he based his action, as provided in section 2112 of title 28,  
17 United States Code. Upon the filing of such petition, the  
18 court shall have jurisdiction to affirm the action of the  
19 Director or to set it aside, in whole or in part, temporarily  
20 or permanently, but until the filing of the record, the  
21 Director may modify or set aside his order. The findings  
22 of the Director as to the facts, if supported by substantial  
23 evidence, shall be conclusive, but the court, for good cause



1 shown, may remand the case to the Director to take further  
2 evidence, and the Director may thereupon make new or  
3 modified findings of fact and may modify his previous action,  
4 and shall file in the court the record of the further proceed-  
5 ings. Such new or modified findings of fact shall likewise  
6 be conclusive if supported by substantial evidence. The  
7 judgment of the court affirming or setting aside, in whole or  
8 in part, any action of the Director shall be final, subject to  
9 review by the Supreme Court of the United States upon  
10 certiorari or certification as provided in section 1254 of title  
11 28, United States Code. The commencement of proceeding  
12 under this subsection shall not, unless so specifically ordered  
13 by the court, operate as a stay of the Director's action.

14 MISCELLANEOUS

15 SEC. 218. For purposes of this part—

16 (1) the term “adult” means any individual who  
17 has attained the age of twenty-two;

18 (2) the term “State educational agency” means  
19 the State board of education or other agency or officer  
20 primarily responsible for the State supervision of public  
21 elementary and secondary schools, or, if different, the  
22 agency or officer primarily responsible for supervision  
23 of adult basic education in public schools, whichever  
24 may be designated by the Governor or by State law, or,

1 if there is no such agency or officer, an agency or officer  
2 designated by the Governor or by State law;

3 (3) the term "local educational agency" means a  
4 board of education or other legally constituted local  
5 school authority having administrative control and di-  
6 rection of public elementary or secondary schools in a  
7 city, county, township, school district, or political sub-  
8 division in a State, except that if there is a separate  
9 board or other legally constituted local authority having  
10 administrative control and direction of adult basic edu-  
11 cation in public schools therein, it means such other  
12 board or authority.

13 PART C—AUTHORIZATION OF APPROPRIATIONS

14 SEC. 221. The Director shall carry out the programs  
15 provided for in this title during the fiscal year ending June  
16 30, 1965, and the two succeeding fiscal years. For the  
17 purpose of carrying out this title, there are hereby author-  
18 ized to be appropriated the sum of \$340,000,000 for the  
19 fiscal year ending June 30, 1965; and for the fiscal year  
20 ending June 30, 1966, and the fiscal year ending June 30,  
21 1967, such sums as may be appropriated as the Congress  
22 may hereafter authorize by law.



1     TITLE III—SPECIAL PROGRAMS TO COMBAT  
2             POVERTY IN RURAL AREAS

3                     STATEMENT OF PURPOSE

4         SEC. 301. It is the purpose of this title to meet some  
5 of the special problems of rural poverty and thereby to  
6 raise and maintain the income and living standards of low-  
7 income rural families and migrant agricultural employees  
8 and their families.

9         PART A—AUTHORITY TO MAKE GRANTS AND LOANS

10        SEC. 302. (a) The Director is authorized to make—

11           (1) grants of not to exceed \$1,500 to low-income  
12 rural families where, in the judgment of the Director,  
13 such grants have a reasonable possibility of effecting  
14 a permanent increase in the income of such families by  
15 assisting or permitting them to—

16           (A) acquire or improve real estate or reduce  
17 encumbrances or erect improvements thereon,

18           (B) operate or improve the operation of farms  
19 not larger than family sized, including but not  
20 limited to the purchase of feed, seed, fertilizer,  
21 livestock, poultry, and equipment,

22           (C) participate in cooperative associations, or

23           (D) finance nonagricultural enterprises which  
24 will enable such families to supplement their in-  
25 come; and

(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, for the purpose set forth in subparagraph (a) (1) (D) of this section.

(b) Grants under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs: *Provided, however,* That nothing herein shall be construed to prevent the making of grants where appropriate in combination with or as supplements to loans made under this program or other Federal programs.

#### FAMILY FARM DEVELOPMENT CORPORATIONS

SEC. 303. (a) The Director is authorized to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations having as their objective the improvement of the productivity and income of low-income farmers. Such corporations shall be eligible for assistance under this section if they are organized for the purpose of and have the power to acquire real property or any interest therein in rural areas, to develop or reconstitute such real property into units not larger than family farms, including necessary fences, farm buildings, land and water development, and related facilities, and to sell the farms so developed or reconstituted to low-income farm

1 families at prices equal to their appraised value when used  
2 for agricultural purposes and in a manner that the Director  
3 determines will further the purposes of this title: *Provided,*  
4 *however,* That such sales shall be subject to the condition  
5 that, for twenty years from the date of sale by the corpora-  
6 tion, upon any resale of the farm, the resale proceeds in  
7 excess of such appraised value up to the corporation's invest-  
8 ment in the property (less the then value as determined by  
9 the corporation of any improvements placed on the farm by  
10 the purchaser from the corporation or his heirs, successors,  
11 or assigns), shall be payable to the corporation; and there  
12 is hereby created a first lien on such property running to the  
13 corporation and to the United States to secure the payment  
14 of such amounts.

15 (b) The Director may prescribe such rules and regula-  
16 tions regarding the organization, financial resources, opera-  
17 tions, and activities of such corporations as he deems appro-  
18 priate.

19 (c) The Director is authorized to purchase the obliga-  
20 tions of, or make loans to, such corporations upon such terms  
21 and conditions as he may determine subject to the limitations  
22 of sections 305 and 306.

23 (d) The Director is authorized to make grants to such  
24 corporations in amounts sufficient to make up the deficiency  
25 between the cost of the farms developed or reconstituted by



1 them and the net proceeds received from the sale of such  
2 farms at the prices specified in subsection (a).

### 3 COOPERATIVE ASSOCIATIONS

4 SEC. 304. The Director is authorized to make loans to  
5 local cooperative associations furnishing essential processing,  
6 purchasing, or marketing services, supplies, or facilities pre-  
7 dominantly to low-income rural families.

### 8 LIMITATIONS ON ASSISTANCE

9 SEC. 305. No financial or other assistance shall be pro-  
10 vided under this part unless the Director determines that—

11 (a) the providing of such assistance will materially  
12 further the purposes of this part, and

13 (b) in the case of assistance provided pursuant to  
14 sections 303 and 304, the applicant is fulfilling or will  
15 fulfill a need for services, facilities, or activities which is  
16 not otherwise being met.

### 17 LOAN TERMS AND CONDITIONS

18 SEC. 306. Loans made pursuant to sections 302, 303,  
19 and 304 (including obligations purchased pursuant to sec-  
20 tion 303) shall have such terms and conditions as the Di-  
21 rector shall determine, subject to the following limitations:

22 (a) there is reasonable assurance of repayment  
23 of the loan;

24 (b) the credit is not otherwise available on reason-

1       able terms from private sources or other Federal, State,  
2       or local programs;

3           (c) the amount of the loan, together with other  
4       funds available, is adequate to assure completion of the  
5       project or achievement of the purposes for which the  
6       loan is made;

7           (d) the loan bears interest at a rate not less than  
8       (1) a rate determined by the Secretary of the Treasury,  
9       taking into consideration the average market yield on  
10      outstanding Treasury obligations of comparable maturity,  
11      plus (2) such additional charge, if any, toward covering  
12      other costs of the program as the Director may deter-  
13      mine to be consistent with its purposes;

14          (e) with respect to loans made pursuant to sections  
15      303 and 304, the loan is repayable within not more than  
16      thirty years; and

17          (f) no financial or other assistance shall be pro-  
18      vided under this part to or in connection with any corpo-  
19      ration or cooperative organization for the production of  
20      agricultural commodities or for manufacturing purposes.

21   PART B—ASSISTANCE FOR MIGRANT AGRICULTURAL EM-  
22                           EMPLOYEES AND THEIR FAMILIES

23       SEC. 311. The Director shall develop and implement  
24      as soon as practicable a program to assist the States, political  
25      subdivisions of States, public and nonprofit agencies, institu-

1 tions, organizations, farm associations, or individuals in es-  
2 tablishing and operating programs of assistance for migrant  
3 agricultural employees and their families which programs  
4 shall be limited to housing, sanitation, education, and day  
5 care of children. Institutions, organizations, farm associa-  
6 tions, or individuals shall be limited to direct loans.

#### 7 PART C—AUTHORIZATION OF APPROPRIATIONS

8 SEC. 321. The Director shall carry out the programs  
9 provided for in this title during the fiscal year ending June  
10 30, 1965, and the two succeeding fiscal years. For the pur-  
11 pose of carrying out this title, there is hereby authorized to  
12 be appropriated the sum of \$50,000,000 for the fiscal year  
13 ending June 30, 1965; and for the fiscal year ending June  
14 30, 1966, and the fiscal year ending June 30, 1967, such  
15 sums may be appropriated as the Congress may hereafter  
16 authorize by law. Not to exceed \$15,000,000 of the funds  
17 appropriated under this Act for the fiscal year ending June  
18 30, 1965, may be utilized for the purposes of part B of  
19 this title.

#### 20 TITLE IV—EMPLOYMENT AND INVESTMENT

##### 21 INCENTIVES

##### 22 STATEMENT OF PURPOSE

23 SEC. 401. It is the purpose of this title to assist in the  
24 establishment, preservation, and strengthening of small busi-  
25 ness concerns and improve the managerial skills employed



1 in such enterprises; and to mobilize for these objectives  
2 private as well as public managerial skills and resources.

3 LOANS, PARTICIPATIONS, AND GUARANTIES

4 SEC. 402. The Director is authorized to make, partici-  
5 pate (on an immediate basis) in, or guarantee loans, repay-  
6 able in not more than fifteen years, to any small business  
7 concern (as defined in section 3 of the Small Business Act  
8 (15 U.S.C. 632) and regulations issued thereunder), or to  
9 any qualified person seeking to establish such a concern,  
10 when he determines that such loans will assist in carrying  
11 out the purposes of this title, with particular emphasis on em-  
12 ployment of the long-term unemployed: *Provided, however,*  
13 That no such loans shall be made, participated in, or guar-  
14 anteed if the total of such Federal assistance to a single bor-  
15 rower outstanding at any one time would exceed \$15,000.  
16 The Director may defer payments on the principal of such  
17 loans for a grace period and use such other methods as he  
18 deems necessary and appropriate to assure the successful  
19 establishment and operation of such concern. The Director  
20 may, in his discretion, as a condition of such financial assist-  
21 ance, require that the borrower take steps to improve his  
22 management skills by participating in a management train-  
23 ing program approved by the Director. The Director shall  
24 encourage, as far as possible, the participation of the private

1 business community in the program of assistance to such  
2 concerns.

3 COORDINATION WITH COMMUNITY ACTION PROGRAMS

4 SEC. 403. No financial assistance shall be provided under  
5 section 402 in any community for which the Director has  
6 approved a community action program pursuant to title II  
7 of this Act unless such financial assistance is determined by  
8 him to be consistent with such program.

9 FINANCING UNDER SMALL BUSINESS ACT

10 SEC. 404. Such lending and guaranty functions under  
11 this part as may be delegated to the Small Business Adminis-  
12 tration may be financed with funds appropriated to the  
13 revolving fund established by section 4 (c) of the Small  
14 Business Act (15 U.S.C. 633 (c) ) for the purposes of sec-  
15 tions 7 (a) , 7 (b) , and 8 (a) of that Act (15 U.S.C. 636 (a) ,  
16 636 (b) , 637 (a) ) .

17 LOAN TERMS AND CONDITIONS

18 SEC. 405. Loans made pursuant to section 402 (includ-  
19 ing immediate participations in and guaranties of such loans)  
20 shall have such terms and conditions as the Director shall  
21 determine, subject to the following limitations—

22 (a) there is reasonable assurance of repayment of  
23 the loan ;

1           (b) the financial assistance is not otherwise avail-  
2           able on reasonable terms from private sources or other  
3           Federal, State, or local programs;

4           (c) the amount of the loan, together with other  
5           funds available, is adequate to assure completion of the  
6           project or achievement of the purposes for which the  
7           loan is made;

8           (d) the loan bears interest at a rate not less than  
9           (1) a rate determined by the Secretary of the Treasury,  
10          taking into consideration the average market yield on  
11          outstanding Treasury obligations of comparable maturity,  
12          plus (2) such additional charge, if any, toward covering  
13          other costs of the program as the Director may determine  
14          to be consistent with its purposes: *Provided, however,*  
15          That the rate of interest charged on loans made in re-  
16          development areas designated under the Area Redevelop-  
17          ment Act (42 U.S.C. 2501 et seq.) shall not exceed  
18          the rate currently applicable to new loans made under  
19          section 6 of that Act (42 U.S.C. 2505) ; and

20          (e) fees not in excess of amounts necessary to cover  
21          administrative expenses and probable losses may be  
22          required on loan guaranties.

#### 23                                   DURATION OF PROGRAM

24          SEC. 406. The Director shall carry out the programs  
25          provided for in this title during the fiscal year ending June  
26          30, 1965, and the two succeeding fiscal years.



## TITLE V—WORK EXPERIENCE PROGRAMS

### STATEMENT OF PURPOSE

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1963 and Vocational Education Act of 1963.

### PAYMENTS FOR EXPERIMENTAL, PILOT, AND

### DEMONSTRATION PROJECTS

SEC. 502. In order to stimulate the adoption [by States] of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409 (a) (1) to (6), inclusive, of such Act (42 U.S.C. 609 (a) (1)–(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be

1 met entirely from funds appropriated or allocated to carry  
2 out the purposes of this title.

3 AUTHORIZATION OF APPROPRIATIONS

4 SEC. 503. The Director shall carry out the programs  
5 provided for in this title during the fiscal year ending June  
6 30, 1965, and the two succeeding fiscal years. For the pur-  
7 pose of carrying out this title, there is hereby authorized to  
8 be appropriated the sum of \$150,000,000 for the fiscal year  
9 ending June 30, 1964; and for the fiscal year ending June  
10 30, 1965, and the fiscal year ending June 30, 1966, such  
11 sums may be appropriated as the Congress may hereafter  
12 authorize by law.

13 TITLE VI—ADMINISTRATION AND  
14 COORDINATION

15 PART A—ADMINISTRATION

16 OFFICE OF ECONOMIC OPPORTUNITY

17 SEC. 601. (a) There is hereby established in the Ex-  
18 ecutive Office of the President the Office of Economic Oppor-  
19 tunity. The Office shall be headed by a Director who shall  
20 be appointed by the President, by and with the advice and  
21 consent of the Senate. There shall also be in the Office four  
22 Deputy Directors who shall be appointed by the President,  
23 by and with the advice and consent of the Senate. The  
24 Deputy Directors shall perform such functions as the Direc-  
25 tor may from time to time prescribe.

26 (b) Notwithstanding the provisions of section 5 (b) of

1 the Reorganization Act of 1949 (5 U.S.C. 133z-3 (b) ), at  
2 any time after one year from the date of enactment hereof  
3 the President may, by complying with the procedures estab-  
4 lished by that Act, provide for the transfer of the Office from  
5 the Executive Office of the President and for its establish-  
6 ment elsewhere in the executive branch as he deems  
7 appropriate.

8 (c) Section 103 (a) of the Federal Executive Pay Act  
9 of 1956 (5 U.S.C. 2202 (a) ) is amended by adding the  
10 following clause thereto:

11 “(6) Director of the Office of Economic Oppor-  
12 tunity.”

13 (d) Section 105 of the Federal Executive Pay Act of  
14 1956 (5 U.S.C. 2204) is amended by adding the following  
15 clause thereto:

16 “(32) Deputy Director of the Office of Economic  
17 Opportunity.”

18 (e) Section 106 (a) of the Federal Executive Pay Act  
19 of 1956 (5 U.S.C. 2205 (a) ) is amended by adding the  
20 following clause thereto:

21 “(52) Deputy Directors of the Office of Economic  
22 Opportunity (3).”

23 AUTHORITY OF DIRECTOR

24 SEC. 602. In addition to the authority conferred upon  
25 him by other sections of this Act, the Director is authorized,  
26 in carrying out his functions under this Act, to—



1           (a) appoint in accordance with the civil service  
2 laws such personnel as may be necessary to enable the  
3 Office to carry out its functions, and, except as otherwise  
4 provided herein, fix their compensation in accordance  
5 with the Classification Act of 1949 (5 U.S.C. 1071 et  
6 seq.) ;

7           (b) employ experts and consultants or organiza-  
8 tions thereof as authorized by section 15 of the Admin-  
9 istrative Expenses Act of 1946 (5 U.S.C. 55a), com-  
10 pensate individuals so employed at rates not in excess  
11 of \$100 per diem, including travel time, and allow them,  
12 while away from their homes or regular places of busi-  
13 ness, travel expenses (including per diem in lieu of sub-  
14 sistence) as authorized by section 5 of such Act (5  
15 U.S.C. 73b-2) for persons in the Government service  
16 employed intermittently, while so employed: *Provided,*  
17 *however,* That contracts for such employment may be  
18 renewed annually;

19           (c) appoint, without regard to the civil service  
20 laws, one or more advisory committees composed of  
21 such private citizens and officials of the Federal, State,  
22 and local governments as he deems desirable to advise  
23 him with respect to his functions under this Act; and  
24 members of such committees (including the National  
25 Advisory Council established in section 605), other than  
26 those regularly employed by the Federal Government,

1 while attending meetings of such committees or other-  
2 wise serving at the request of the Director, shall be  
3 entitled to receive compensation and travel expenses  
4 as provided in subsection (b) with respect to experts  
5 and consultants;

6 (d) with the approval of the President, arrange  
7 with and reimburse the heads of other Federal agencies  
8 for the performance of any of his functions under this  
9 Act and, as necessary or appropriate, delegate any of  
10 his powers under this Act and authorize the redelega-  
11 tion thereof;

12 (e) utilize, with their consent, the services and  
13 facilities of Federal agencies without reimbursement,  
14 and, with the consent of any State or a political subdivi-  
15 sion of a State, accept and utilize the services and facil-  
16 ities of the agencies of such State or subdivision without  
17 reimbursement;

18 (f) accept in the name of the Office, and employ  
19 or dispose of in furtherance of the purposes of this Act,  
20 or of any title thereof, any money or property, real,  
21 personal, or mixed, tangible or intangible, received by  
22 gift, devise, bequest, or otherwise;

23 (g) accept voluntary and uncompensated services,  
24 notwithstanding the provisions of section 3679 (b) of  
25 the Revised Statutes (31 U.S.C. 665 (b) ) ;

1           (h) allocate and expend, or transfer to other Fed-  
2       eral agencies for expenditure, funds made available  
3       under this Act as he deems necessary to carry out the  
4       provisions hereof, including (without regard to the pro-  
5       visions of section 4774 (d) of title 10, United States  
6       Code) expenditure for construction, repairs, and capital  
7       improvements;

8           (i) disseminate, without regard to the provisions of  
9       section 4154 of title 39, United States Code, data and  
10      information, in such form as he shall deem appropriate,  
11      to public agencies, private organizations, and the gen-  
12      eral public;

13          (j) adopt an official seal, which shall be judicially  
14      noticed;

15          (k) notwithstanding any other provision of law  
16      relating to the acquisition, handling, or disposal of  
17      real or personal property by the United States, deal  
18      with, complete, rent, renovate, modernize, or sell for  
19      cash or credit at his discretion any properties acquired  
20      by him in connection with loans, participations, and  
21      guaranties made by him pursuant to titles III and IV of  
22      this Act;

23          (l) collect or compromise all obligations to or held  
24      by him and all legal or equitable rights accruing to  
25      him in connection with the payment of obligations



1       until such time as such obligations may be referred to  
2       the Attorney General for suit or collection; and

3           (m) establish such policies, standards, criteria,  
4       and procedures, prescribe such rules and regulations,  
5       enter into such contracts and agreements with public  
6       agencies and private organizations and persons,  
7       make such payments (in lump sum or installments,  
8       and in advance or by way of reimbursement, and in the  
9       case of grants, with necessary adjustments on account  
10      of overpayments or underpayments), and generally per-  
11      form such functions and take such steps as he may deem  
12      to be necessary or appropriate to carry out the provi-  
13      sions of this Act.

14           VOLUNTEERS IN SERVICE TO AMERICA

15       SEC. 603. (a) The Director is authorized to recruit,  
16      select, train, and—

17           (1) upon request of State or local agencies or pri-  
18      vate nonprofit organizations, refer volunteers to perform  
19      duties in furtherance of programs combating poverty at  
20      a State or local level; and

21           (2) in cooperation with other Federal, State, or  
22      local agencies involved, assign volunteers to work (A)  
23      in meeting the health, education, welfare, or related  
24      needs of Indians living on reservations, of migratory  
25      workers and their families, or of residents of the District

1 of Columbia, the Commonwealth of Puerto Rico, Guam,  
2 American Samoa, the Virgin Islands, or the Trust Terri-  
3 tory of the Pacific Islands; (B) in the care and reha-  
4 bilitation of the mentally ill or mentally retarded under  
5 treatment at nonprofit mental health or mental retarda-  
6 tion facilities assisted in their construction or operation  
7 by Federal funds; and (C) in furtherance of programs  
8 or activities authorized or supported under title I or II  
9 of this Act.

10 (b) The referral or assignment of volunteers shall be  
11 on such terms and conditions as the Director may determine,  
12 but volunteers shall not be referred or assigned to duties or  
13 work in any State without the consent of the Governor.

14 (c) The Director is authorized to provide to all volun-  
15 teers during training and to volunteers assigned pursuant to  
16 subsection (a) (2) such stipend, not to exceed \$50 per  
17 month, such living, travel, and leave allowances, and such  
18 housing, transportation (including travel to and from the  
19 place of training), supplies, equipment, subsistence, clothing,  
20 and health and dental care as the Director may deem neces-  
21 sary or appropriate for their needs.

22 (d) Volunteers shall be deemed not to be Federal em-  
23 ployees and shall not be subject to the provisions of laws  
24 relating to Federal employment, including those relating to  
25 hours of work, rates of compensation, leave, unemployment

1 compensation, and Federal employee benefits, except that all  
2 volunteers during training and such volunteers as are as-  
3 signed pursuant to subsection (a) (2) shall be deemed Fed-  
4 eral employees to the same extent as enrollees of the Corps  
5 under section 106 (b), (c), and (d) of this Act.

6 ECONOMIC OPPORTUNITY COUNCIL

7 SEC. 604. (a) There is hereby established an Economic  
8 Opportunity Council, which shall consult with and advise the  
9 Director in carrying out his functions, including the coordina-  
10 tion of antipoverty efforts by all segments of the Federal  
11 Government.

12 (b) The Council shall include the Director, who shall  
13 be Chairman, the Secretary of Defense, the Attorney Gen-  
14 eral, the Secretaries of the Interior, Agriculture, Commerce,  
15 Labor, and Health, Education, and Welfare, the Housing  
16 and Home Finance Administrator, the Administrator of the  
17 Small Business Administration, the Chairman of the Council  
18 of Economic Advisors, the Director of Selective Service, and  
19 such other agency heads as the President may designate, or  
20 delegates thereof.

21 NATIONAL ADVISORY COUNCIL

22 SEC. 605. There is hereby established in the Office a  
23 National Advisory Council. The Council shall be composed  
24 of the Director, who shall be Chairman, and not more than  
25 fourteen additional members appointed by the President,



1 without regard to the civil service laws, who shall be repre-  
2 sentative of the public in general and appropriate fields of  
3 endeavor related to the purposes of this Act. Upon the re-  
4 quest of the Director, the Council shall review the opera-  
5 tions and activities of the Office, and shall make such recom-  
6 mendations with respect thereto as are appropriate. The  
7 Council shall meet at least once each year and at such other  
8 times as the Director may request.

9 REVOLVING FUND

10 SEC. 606. (a) To carry out the lending and guaranty  
11 functions authorized under titles III and IV of this Act,  
12 there is authorized to be established a revolving fund. The  
13 capital of the fund shall consist of such amounts as may be  
14 advanced to it by the Director from funds appropriated pur-  
15 suant to section 307 and shall remain available until  
16 expended.

17 (b) The Director shall pay into miscellaneous receipts  
18 of the Treasury, at the close of each fiscal year, interest on  
19 the capital of the fund at a rate determined by the Secretary  
20 of the Treasury, taking into consideration the average market  
21 yield on outstanding Treasury obligations of comparable  
22 maturity during the last month of the preceding fiscal year.  
23 Interest payments may be deferred with the approval of the  
24 Secretary of the Treasury, but any interest payments so de-  
25 ferred shall themselves bear interest.

1 (c) Whenever any capital in the fund is determined by  
2 the Director to be in excess of current needs, such capital  
3 shall be credited to the appropriation from which advanced,  
4 where it shall be held for future advances.

5 (d) Receipts from any lending and guaranty operations  
6 under this Act (except operations under title IV carried on  
7 by the Small Business Administration) shall be credited to  
8 the fund. The fund shall be available for the payment of all  
9 expenditures of the Director for loans, participations, and  
10 guaranties authorized under titles III and IV of this Act.

11 LABOR STANDARDS

12 SEC. 607. All laborers and mechanics employed by con-  
13 tractors or subcontractors in the construction, alteration or  
14 repair, including painting and decorating of projects, build-  
15 ings and works which are federally assisted under this Act  
16 shall be paid wages at rates not less than those prevailing on  
17 similar construction in the locality as determined by the Sec-  
18 retary of Labor in accordance with the Davis-Bacon Act, as  
19 amended (40 U.S.C. 276a—276a-5). The Secretary of  
20 Labor shall have, with respect to such labor standards, the  
21 authority and functions set forth in Reorganization Plan  
22 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5  
23 U.S.C. 133—133z-15), and section 2 of the Act of June 13,  
24 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.  
25 276 (c) ).

## REPORTS

1

2       SEC. 608. Not later than one hundred and twenty days  
3 after the close of each fiscal year, the Director shall prepare  
4 and submit to the President for transmittal to the Congress  
5 a full and complete report on the activities of the Office dur-  
6 ing such year.

7

## DEFINITIONS

8

SEC. 609. As used in this Act:

9       (a) The term "State" means a State, the Common-  
10 wealth of Puerto Rico, the District of Columbia, Guam,  
11 American Samoa, or the Virgin Islands, and the term  
12 "United States", when used in a geographical sense, includes  
13 the foregoing and all other places, continental or insular,  
14 including the Trust Territory of the Pacific Islands, subject  
15 to the jurisdiction of the United States.

16       (b) The term "agency", unless the context requires  
17 otherwise, means department, agency, or other component  
18 of a Federal, State, or local governmental entity.

19       (c) The term "family" means—

20           (1) the spouse or child of an enrollee, and

21           (2) any other relative who draws substantial sup-  
22 port from the enrollee.



## 1     PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

## 2                                 COORDINATION

3         SEC. 611. In order to insure that all Federal programs  
4 related to the purposes of this Act are carried out in a  
5 coordinated manner—

6             (a) the Director is authorized to call upon other  
7 Federal agencies to supply such statistical data, program  
8 reports, and other materials as he deems necessary to  
9 discharge his responsibilities under this Act, and to  
10 assist the President in coordinating the antipoverty  
11 efforts of all Federal agencies;

12            (b) Federal agencies which are engaged in admin-  
13 istering programs related to the purposes of this Act, or  
14 which otherwise perform functions relating thereto,  
15 shall—

16                 (1) cooperate with the Director in carrying  
17 out his duties and responsibilities under this Act;  
18 and

19                 (2) carry out their programs and exercise  
20 their functions in such manner as will, to the maxi-  
21 mum extent permitted by other applicable law, as-  
22 sist in carrying out the purposes of this Act; and

1           (c) the President may direct that particular pro-  
2       grams and functions, including the expenditure of funds,  
3       of the Federal agencies referred to in subsection (b)  
4       shall be carried out, to the extent not inconsistent with  
5       other applicable law, in conjunction with or in support  
6       of programs authorized under this Act.

7           (d) In order to insure that all existing Federal  
8       agencies are utilized to the maximum extent possible  
9       in carrying out the purposes of this Act, no funds appro-  
10      priated to carry out this Act shall be used to establish  
11      any new department or office when the intended func-  
12      tion is being performed by an existing department or  
13      office.

14       PREFERENCE TO COMMUNITY ACTION PROGRAMS

15       SEC. 612. To the extent feasible and consistent with the  
16      provisions of law governing any Federal program and with  
17      the purposes of this Act, the head of each Federal agency  
18      administering any Federal program is directed to give  
19      preference to any application for assistance or benefits which  
20      is made pursuant to or in connection with a community action  
21      program approved pursuant to title II of this Act.

22                               INFORMATION CENTER

23       SEC. 613. In order to insure that all Federal programs  
24      related to the purposes of this Act are utilized to the maxi-  
25      mum extent possible, and to insure that information con-

cerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### FEDERAL CONTROL

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606 (a) ), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1964; and for the fiscal year ending June 30, 1965, and the



1 fiscal year ending June 30, 1966, such sums may be appro-  
2 priated as the Congress may hereafter authorize by law.

3 TITLE VII—TREATMENT OF INCOME FOR CER-  
4 TAIN PUBLIC ASSISTANCE PURPOSES

5 SEC. 701. (a) Notwithstanding the provisions of titles  
6 I, IV, X, XIV, and XVI of the Social Security Act, a State  
7 plan approved under any such title shall provide that—

8 (1) the first \$85 plus one-half of the excess over  
9 \$85 of payments made to or on behalf of any person for  
10 or with respect to any month under title I or II of this  
11 Act or any program assisted under such title shall not be  
12 regarded (A) as income or resources of such person in  
13 determining his need under such approved State plan,  
14 or (B) as income or resources of any other individual  
15 in determining the need of such other individual under  
16 such approved State plan;

17 (2) no payments made to or on behalf of any per-  
18 son for or with respect to any month under such title or  
19 any such program shall be regarded as income or re-  
20 sources of any other individual in determining the need  
21 of such other individual under such approved State plan  
22 except to the extent made available to or for the benefit  
23 of such other individual; and

24 (3) no grant made to any family under title III  
25 of this Act shall be regarded as income or resources of

1       such family in determining the need of any member  
2       thereof under such approved State plan.

3       (b) No funds to which a State is otherwise entitled  
4       under title I, IV, X, XIV, or XVI of the Social Security  
5       Act for any period before July 1, 1965, shall be withheld  
6       by reason of any action taken pursuant to a State statute  
7       which prevents such State from complying with the re-  
8       quirements of subsection (a).

88TH CONGRESS  
2D SESSION

**H. R. 11377**

[Report No. 1458]

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# **A BILL**

To mobilize the human and financial resources  
of the Nation to combat poverty in the  
United States.

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By **Mr. LANDRUM**

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MAY 26, 1964

Referred to the Committee on Education and Labor

JUNE 3, 1964

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed



Then my friend continued: "Read that article, then weep at the further exploitation of natural sympathy in the proposed Federal program of health benefits. No decent mortal can help feeling sorry for a man out of work or a senior citizen whose savings are being swallowed by sickness. But the moment we say 'let government take care of them' we have turned sympathy over to those who can buy votes with it. The chisellers follow as inevitably as vultures follow carrion. The welfare state and the chisellers thrive on each other."

"Is that sympathy? There is only one kind of sympathy that is real—the kind that believes a man's personal dignity consists in standing on his own two feet, and, for the times of trial and desperation, acts person-to-person in brotherly love. To make government our brother's keeper is to make it eventually everybody's jailer."

Unfortunately, many of us have lost awareness of the great moral principles on which our forebears erected the structure of a nation which became a haven for the oppressed of the earth and a beacon of hope for those who could not escape to our shores. There was always compassion and ample material aid here for the needy of our own and other lands. But the emphasis was on opportunity for self-improvement, not on relief.

In this climate of freedom, our Nation became the world's cornucopia of spiritual and material blessings. Over the years our people have voluntarily poured out their bounties for those in need, everywhere.

We must regain our awareness of individual moral responsibility to God and to our neighbor. For, therein lies the key to freedom with honor—and to peace at home and abroad.

Every one of us must face up to the soul-searching question, so frequently encountered in our journey through life: "Am I my brother's keeper?" Let us pray that each of us will be able to make the freeman's reply, humbly, in sincerity and in truth: "No—but I am my brother's brother." For only then will the immoral welfare state, with its self-serving and venal political charity wither away, and yield place to the free society of freemen, with its biblical charity, motivated by brotherly love.

In this march toward freedom, your profession can lead the way. It is my earnest plea that this be your mission, freely assumed, your covenant with "noblesse oblige."

### SOCIALISTS AND COMMUNISTS ENDORSE POVERTY BILL

(Mr. ASHBROOK (at the request of Mr. ARENDS) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, there are many conscientious Americans who support an intelligent program which would combat poverty in our Nation. At the same time, it is entirely possible that in the approach to this serious problem, the Congress might embark on a course which would further erode local responsibility and autonomy and set up a program which would be socialistic to the core.

Norman Thomas, the man who has been put out of business by a variety of Socialists masquerading as liberals, hit the nail on the head when referring to President Johnson's poverty program. He said:

His war on poverty is a socialistic approach and may be the No. 1 issue in the 1964 campaign.

Arnold Johnson, public relations director for the Communist Party, U.S.A., also wholeheartedly endorses the approach involved in the poverty bill, largely because it calls for a massive Federal involvement in local problems.

While the principle may be good and many earnest Americans would honestly support the broad outline of the poverty program, it is at least noteworthy when the Socialists and the Communists find this package to their liking. Maybe we ought to take a second look or even a third look.

The statement of the Communist Party and the Thomas remarks which appeared in a Chicago Tribune article are included at this point in the RECORD:

[From the Chicago (Ill.) Tribune,  
May 30, 1964]

THOMAS HAILS JOHNSON, RAPS GOLDWATER  
(By William Kling)

Dr. Norman Thomas, six-time Socialist Party candidate for President, said yesterday that President Johnson's administration "is so much better than I feared," and called Senator BARRY M. GOLDWATER, Republican, of Arizona, "the greatest evil."

Thomas, who will be 80 this year, said that his choice for President would be Senator HUBERT HUMPHREY, Democrat, of Minnesota, whom he called "the type of Democrat I like and one who would be a Socialist if he got to England."

In a "last will and testament" to the Socialist Party, Thomas spoke at a rally on the University of Chicago campus, urging integration and racial harmony, disarmament and peace, governmental action to end poverty, and renewed dedication to Democratic socialism.

#### WORD ABOUT JOHNSON

At an earlier press conference, Thomas made these remarks:

Of President Johnson, Thomas said: "We all have reason to be grateful for him, in the way he is handling civil rights and poverty. I ought to rejoice, and I do. I rub my eyes in amazement and surprise. His war on poverty is a socialistic approach and may be the No. 1 issue in the 1964 campaign."

Of GOLDWATER, Thomas said: "He is a personable man and has some good stands on domestic issues, but I am scared of his stands on foreign affairs. He shoots from the hip. He would blunder us into war."

Of the showing made in Democratic Presidential primaries by Gov. George C. Wallace of Alabama, Thomas said: "He is a disgrace to a great many Americans. Neither he nor the people who vote for him are concerned about States rights. Their only issue is racism."

#### HAS NO PLANS

Thomas said he had no plans to seek the Presidency again.

"Six times are enough," he quipped. "It gets to be a joke after that many times. Maybe it got to be a joke before that."

"I decided that 1948 was the last time I would run. I haven't changed my mind since then like a lot of politicians."

Asked if he thought his support aided a candidate, he replied: "My support of myself never seemed to do me much good."

#### HOPES TO GO FISHING

Would he take an interest in the Republican nominating convention July 13 in San Francisco?

"I would hope that the weather would permit me to go fishing," he said.

The Socialist convention is being held through tomorrow in the Hotel Maryland, 900 Rush Street.

COMMUNIST PARTY, U.S.A.,

New York, N.Y., April 30, 1964.

To the Members of the House Committee on Education and Labor, House Office Building, Washington, D.C.

DEAR CONGRESSMEN: We are sending the enclosed program of the Communist Party on the war against poverty for your consideration in proposing legislation for enactment by this session of Congress.

In a letter of April 22 we requested an opportunity for a Communist spokesman to appear before the committee in support of this program. We trust that this can be arranged.

Very truly yours,

ARNOLD JOHNSON,  
Public Relations Director.

AN AMERICAN PEOPLE'S PROGRAM TO END POVERTY AND UNEMPLOYMENT IN THE UNITED STATES—ECONOMIC PROGRAM OF THE COMMUNIST PARTY, U.S.A.—THE WAR ON POVERTY: "UNCONDITIONAL WAR"

In his state of the Union message, President Lyndon B. Johnson said: "And this administration, here and now, declares unconditional war on poverty in America, and I urge this Congress and all Americans to join with me in that effort."

We are prepared to join wholly and without reservation in such a war.

But if it is to be truly unconditional war, we need to go far beyond the very limited program which President Johnson proposes. Such a war cannot be half-hearted or limited to band-aid remedies. It must be determined and unrelenting, and must go to the heart of the problem. It must be a total war.

Its goal must be nothing less than guaranteeing to every American able and willing to work, peacetime employment at a decent wage or salary, and to all unable to work, adequate provision against want.

We reject the view that technological advance—the ability to produce in ever greater abundance—must lead to unemployment and poverty. We repudiate any idea that automation is making workers socially unnecessary. So long as there is human need, there is need for human labor. In our land, while one-fifth or more of the people live in dire poverty, there is a mounting lack of low-rent housing, of schools and hospitals, of facilities for medical training and research, of civic centers and recreational facilities. To put America to work to meet these needs alone could provide jobs for all for years to come.

We reject, too, the slanderous view that people are poor because they are shiftless, unintelligent, or abnormal, or because they are victims of personal misfortune, to be regarded as nothing more than objects of charity. Nor is it correct to look upon the poor as some sort of "subclass," as a group set apart from the main body of the American people. And no less wrong are those who attribute poverty merely to lack of education.

If coal miners are poor, the basic cause is the greed of the big coal operators. If Negroes are poor, it is in the first place because they are victims of the shameful Jim Crow system in our country. If old people are poor, it is because of the inadequacy of our social security setup. And so it is for others as well. The poor are part and parcel of the American working people, and poverty is an affliction from which no worker is immune. All are its potential victims.

The basic cause of unemployment and poverty, therefore, is not automation, nor is it personal shortcomings or misfortunes. On the contrary, the cause is an economic system in which production is for maximum private profit instead of for maximum public good. It is an economic system in which prices are jacked up while wages are held



down, in which tens of billions of dollars a year are wasted on armaments and other unproductive expenditures while the people are deprived of vital social needs, in which human needs go unfulfilled while millions go hungry and jobless, in which abundance itself leads to poverty and privation.

In short, the cause of poverty today is monopoly-dominated capitalism, and the war against poverty is a war against monopoly greed.

#### THIS IS YOUR WAR

The war against poverty is a war of all the people—of all victims, actual and potential, of monopoly oppression. In the ranks of its army are not only the poor and the unemployed themselves but first and foremost all of organized labor. In the forefront today are the Negro people, whose all-out struggle to end their Jim Crow status is vital to the interest of all Americans. Side by side with them stand the Puerto Rican and Mexican-American people, the youth and the senior citizens, small farmers and small business.

All these must join hands, all must lend their voices and organized strength to the struggle if real gains are to be won. For winning this war will not be easy. The people's army will meet with the most ferocious opposition from corporate wealth and its political stooges, who will do everything possible to preserve the enormous profits and power of big business. Already the Goldwaters, the National Association of Manufacturers, the Dixiecrats, and others of their ilk are raising the battle-cry of reaction. Already the big business publication *Baron's Weekly* has headlined: "The Wrong War: In 1964 Communism, Not Poverty, Is the Enemy."

The war on poverty is closely interlinked with all the struggles and aspirations of the American people. All are parts of one war—a war against corporate greed—and none can win their own struggles except in alliance with the others.

The fight against poverty is inseparable from the fight for peace and disarmament, for the billions now squandered on arms are obtained at the expense of the public welfare and social needs of the people. The war chest for the war on poverty must be swelled by sharply reducing that of the cold war. What is called for is a cut of no less than \$20 billion in military spending within the next 2 years, and the allocation of that \$20 billion to combat poverty.

A central battlefield of this war is the fight for civil rights, which has become the focus of all struggles for democracy and economic welfare in our country today.

If, as President Johnson, declares, one-fifth of America is poor, among the Negro people poverty afflicts nearly one-half. To fight poverty, therefore, is in the first place to fight poverty among the Negro people—to fight to end segregation and discrimination. To wipe out poverty is to wipe out the shameful slum ghettos which are its breeding place.

The Negro people are heroically waging this battle today. Indeed, it is their militant struggles which have served more than anything else to dramatize the fact of poverty and to bring it forward as the central issue of the day.

The fight of the Negro people for freedom now is thus in the direct interest of all who would fight poverty. The myth of white superiority which today prevents the masses of white working people from recognizing this tie must be fought. The crusade against the evil of poverty must be dovetailed with the crusade against the evil of Jim Crow. Without this it cannot succeed.

#### WHAT DOES IT TAKE TO WIPE OUT POVERTY?

The war against poverty will be long and far reaching. The needs of the American people go far beyond the measures proposed

by the Johnson administration. And if the need is so great now in a period of economic upswing, how much greater will it be when the inevitable downturn thrusts millions more into joblessness and want.

What is required first of all is an immediate program involving large-scale Federal economic action, with Government spending on a level sufficient to raise substantially the purchasing power of all low-income groups.

But the war does not end there. A longer-range fight must be waged for changes of a more basic character, changes which will invade the sacred territory of big business, curb its powers and subject its operations to a growing measure of democratic control for the benefit of the people.

Final victory requires even more. The abolition of poverty can be achieved only by abolishing capitalism itself—by putting an end to an economic system of exploitation and oppression which generates fantastic wealth at one end and poverty at the other.

Mankind does not exist for the sake of profit. Men work and produce not to enrich a few but in order that all may live better. To wipe out poverty means to wipe out the profit system, which stands in the way of this aspiration. It means that the factories, mines and mills of our country must be owned by the people themselves and operated for their benefit—for use, not for profit. In such an America—a socialist America—abundance will cease to be a "problem." No one will be unemployed and no one will be poor. Our tremendous productive capacity will provide for the well-being and security of all.

Toward this noble goal of ending poverty, of securing the right of every person to the prosperous and happy life which the ability to produce abundance makes possible, we here offer our proposals for the great battles ahead.

#### A PROGRAM FOR TODAY

The call for "unconditional war" has already been taken up by leading organizations and spokesmen of labor, the farmers, the Negro people. These have come forward with bold programs of action—programs which merit the most vigorous support of every American who seeks the elimination of this monstrous social evil.

We fully endorse all such programs. We particularly applaud the call of the recent UAW convention to "mobilize America for a total war against poverty" and for a program of "bold and affirmative action at every level of our governmental structure." We greet the convention's placing as a top priority in the struggle the passage of civil rights legislation "as an essential step in the crusade against segregation, discrimination, and the denial of basic rights of citizenship to the Negroes and other minorities with resulting poverty and injustice." We likewise greet the call at the recent convention of the Farmers' Union for a 20-percent cut in arms spending to finance the war on poverty.

Incorporating all the positive points of these programs and approaches, we offer the following program for the fight to curb the growth of poverty and unemployment in our country:

#### 1. Provide jobs for all able and willing to work

Launch a crash public works program at union wages, starting with a minimum outlay of \$10 billion the first year and rising to \$20 billion a year thereafter, the funds to come from a progressive reduction of military expenditures. Such a program should concentrate especially on building housing, schools, hospitals, etc., in Negro ghetto and other depressed areas, and on providing suitable employment in areas affected by reconversion to peacetime production.

Reduce the standard workweek to 30 hours with no cut in earnings.

Increase trade with all nations, with removal of all bars to extending trade and credit to the Socialist countries, including the People's Republic of China and Cuba.

Prohibit American firms from exporting jobs of American workers by shifting their operations abroad, and from utilizing lower wage scales in other countries to compete with American-produced goods, thus increasing unemployment.

Establish double-time pay as a minimum for all overtime, to discourage its use while workers remain unemployed.

#### 2. End segregation and discrimination—wipe out the ghetto

Designate all Negro, Puerto Rican, and Mexican-American ghettos as depressed areas, with special crash programs to provide jobs and aid, and with special consideration given to employment of Negro, Puerto Rican, and Mexican-American workers on public works projects.

Launch a massive program of construction of housing, school, hospital, and recreational facilities to convert the ghettos from slums into high-grade residential areas attractive to all citizens and within their means.

Enact all pending civil rights legislation, with strengthened provisions against all discrimination in hiring, apprenticeships, up-grading and pay.

Establish compensatory benefits for Negro workers and other victims of discrimination in the form of preferential hiring, subsidized training, and other measures to wipe out differentials in employment and earnings.

Eradicate all housing and school segregation through appropriate legislative and executive action.

#### 3. Provide adequate relief to the country's poor and jobless

Improve and expand the food stamp plan, while guarding against the use of surplus food allotments to subsidize below-union wage scales or as a weapon against the struggles of the workers or the Negro people.

Enact the medicare bill as a first step toward adequate hospitalization and medical care for the elderly.

Institute a Federal free school hot lunch program for all students.

Provide special assistance to schoolchildren and youth in needy families to enable them to continue their education.

Establish a Federal system of public assistance sufficient to permit those unable to work to live in decency.

Provide free child care centers to enable women who must support their families to go to work.

Modernize unemployment compensation through a uniform Federal system providing payments of not less than two-thirds of former earnings, including all wage workers without exception, and continuing for the duration of the period of unemployment.

Institute a moratorium on foreclosures and repossessions in the case of unemployed workers.

#### 4. Increase the purchasing power and living standards of the working people

Raise the minimum wage to \$2 an hour and extend coverage to all wage workers.

Enact basic tax reforms which will plug all loopholes and shift the tax burden from the working people to the giant corporations and wealthy individuals. Raise personal exemptions to \$1,200 and abolish the withholding tax. Eliminate excise and sales taxes on necessities, which bear most heavily on the lowest income groups.

Establish a Federal price control commission empowered to establish the strictest safeguards against all monopoly price gouging.

Initiate a system of rent controls, with stiff penalties for failure to upkeep and with rent subsidies where needed to enable low-income families to secure decent housing.



Raise social security pensions to a minimum of \$200 a month for a single individual with \$100 additional for spouse.

Permit retirement at 60 years of age with full benefits.

Launch a 10-year program to construct 5 million low-cost public housing units toward a goal of ending slums in America.

#### 5. Secure the future of America's youth

Enact a National Youth Act designed to meet all job, training, educational, recreational and health needs of American youth, with effective representation of youth, labor, and civil rights organizations in its administration.

As part of such a measure, enact the administration's job corps, work-training and work-study proposals for unemployed youth and students, on a greatly expanded scale and with strict guarantees against undercutting union wages, against all forms of discrimination, and against military control or influence over the proposed conservation camps.

Provide Federal aid to education sufficient to end all teacher and classroom shortages and to make possible extension of compulsory education through 14 years of school by payment of living stipends to students.

Make college education available to all through a national system of tuition-free colleges, with special aid to facilitate the attendance of Negro youth and complete enforcement of the Supreme Court's desegregation decision.

Make all young people entering the labor force and unable to find work eligible to receive unemployment compensation.

Expand apprenticeship training programs to twice their present size, with guarantees against displacement of older workers and with preferential enrollment of Negro and other minority youth.

#### 6. Aid the farmers and farmworkers

Make low-interest Government credit and other forms of Government aid, now confined to the big capitalist farms, available to small farmers to enable them to remain on their farms and to secure a decent livelihood from them.

Provide price supports to small farmers in the form of direct payments to farmers of the difference between market prices and 100 percent of parity.

Extend unemployment compensation, minimum wage, social security, and other benefits to all farm laborers.

Give special assistance to Negro and white sharecroppers to enable them to secure and maintain their own farms.

#### 7. Rehabilitate the depressed areas

Provide an emergency appropriation for immediate direct assistance to all victims of impoverishment in these areas.

Establish an Appalachian Authority along the lines of the Tennessee Valley Authority, and corresponding authorities in other major depressed regions, to harness their natural resources through large-scale projects for conservation and production of cheap electric power and for other Federal construction and industrial projects that will spur economic renewal and expansion.

Launch public works projects for road-building, scenic restoration, creation of recreational areas and similar purposes in the Appalachians and other regions.

Amend the Areas Redevelopment Act to provide for adequate retraining and relocation of unemployed workers.

#### 8. Establish public control over the uses of automation

Create a public commission on automation with effective labor, Negro, and other people's representation, empowered to exercise control over mass layoffs, closing of plants, shifting of operations to new areas, and other

decisions affecting the lives of entire communities.

Establish a public planning board, with labor, Negro, and other groups adequately represented, to coordinate economic development in the public interest against monopoly, in accordance with population distribution, manpower, and training needs and related factors.

#### 9. Protect the rights of organized labor

Repeal all existing antilabor legislation and return to the principles embodied in the Wagner Labor Relations Act, to secure the ability of labor to safeguard and raise the living standards of workers in all States and regions.

Enact new legislation to abolish regional wage differentials, end the runaway shop evil, and guarantee equal pay for equal work regardless of age, sex, race, or religion.

#### CURB THE POWER OF BIG BUSINESS

The above program is necessary to combat poverty and joblessness. But it is not enough. The growing impact of automation, which wipes out an estimated 40,000 jobs each week, combined with economic stagnation and other factors such as discrimination and segregation, points up the need for economic and social measures of a more advanced character if the rise of poverty and unemployment is to be more than slowed down.

These are measures designed to place more effective curbs on the power of the trusts in American life. They involve the establishment of a growing degree of Government regulation—and where necessary of Government ownership—of the big industrial enterprises, with democratic controls effected by assuring a substantial voice to the working people through their organizations in all controlling bodies. They involve the utilization of the power and resources of the Federal Government for the welfare of the common people, and not in order to fatten the profits of the big monopolies. The fight for such basic reforms requires a more advanced level of political activity on the part of labor and the common people, aiming at a basic political regrouping powerful enough to impose limitations on big business.

We believe that such reforms, which will lay the basis for moving toward an ultimate reorganization of our society along Socialist lines, must go in the following direction:

1. Growing invasion of "management prerogatives" with the establishment of controls over hiring policy, work standards, scheduling of operations, moving of plants to new locations, institution of automation, and other new techniques, price setting, etc.

2. A drastic revision of the tax structure, with (a) a steeply graduated corporate tax aimed at taxing the biggest corporations most heavily (instead of the present uniform 48 percent tax for all corporations making \$25,000 a year or more), and (b) closing of all loopholes and taxing of all personal income above a certain level at a rate of 100 percent. These measures would go in the direction of placing a ceiling on corporate and personal income.

3. Designation of any corporation with gross assets of \$250 million or more, or accounting for more than 10 percent of the market of any industry, as a firm affecting the public interest and thereby subject to special regulation and supervision with regard to its operations, price structure, etc. Also, Federal chartering and regulation of all corporations with \$50 million or more in gross assets.

4. Nationalization of industries directly related to public service, such as transportation, public utilities, atomic energy and power production, and their operation under democratic control on a nonprofit basis. Nationalization of other industries such as coal mining or oil production or of plants

closing down, where necessary to protect natural resources and to guarantee jobs and living standards. Conversion of arms plants to civilian production under government ownership. Nationalization of all natural resources.

5. Halting of the immense handouts given to private industry through Government subsidies and through Government financing of industrial research, and utilization of these funds for research and other purposes of direct public benefit. An end to giveaways of natural resources and a Federal program of conservation with strict penalties—against corporate interests which waste or destroy these resources.

6. Special measures to protect small business against encroachments of the monopolies, including lower taxes and control of monopoly prices. Establishment of a Federal Department of Small Business making funds available for loans and credits and giving other assistance. Aid to small businesses uprooted by urban redevelopment programs in relocating elsewhere.

7. A vast expansion of social welfare and social security expenditures, with establishment of a federally financed and administered comprehensive cradle-to-grave security program, embracing unemployment, industrial and disability compensation, full medical and dental care, old age pensions and other benefits.

#### THE KEY TO VICTORY: UNITED ACTION

The fight against poverty and unemployment is a fight against the giant monopolies. It is a fight of all sections of the American people ground down by these monopolies—the working class, the Negro people, the small farmers, small business. All have a common stake in this war.

The key to success lies, therefore, in uniting all these forces in common battle against the trusts. And for this, the primary responsibility lies with organized labor, which must mobilize all workers in the struggle, organized and unorganized, employed and unemployed, Negro and white, young and old. The combined action of labor with other sections of the people is equally vital, above all its unity with the Negro people.

Without such united action, not even the most meager program can be won. With it, the foundation can be laid for the building of a political coalition against the trusts headed by organized labor and powerful enough to wrest basic concessions from them—a coalition which can go far toward the elimination of poverty in our country.

#### ANNOUNCEMENT

Mr. WELTNER. Mr. Speaker, on roll-call No. 141 I was unavoidably absent, and did not vote. If present, I would have voted "yea."

#### THE "POVERTY PACKAGE"

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. FRELINGHUYSEN] is recognized for 60 minutes.

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Speaker, on May 6 a number of the members of the House Committee on Education and Labor took the floor to discuss the status of the President's antipoverty bill, H.R. 10440. In the 4 weeks which have elapsed since that discussion little has been done to improve that so-called poverty package. Finally, however, a bill has been approved by a vote of 19 to 12.



True, the Democrats on the committee offered so many amendments to the President's bill that it was necessary for them to introduce a new bill, H.R. 11377. I may not have the exact number of amendments correct, Mr. Speaker, but there were something on the order of 100 amendments, some very major in nature, to the original recommendations of President Johnson. That was one of the reasons why a new bill was introduced.

Unfortunately also, it must be stated that virtually all amendments offered by the Republicans were turned down. Every one of the major amendments offered by Republicans was rejected, and with many of them time was not given for us to explain what we had in mind in the amendments.

As a result, unfortunately, we in committee were faced with accepting or rejecting a bill with many obvious flaws. It was in order to discuss the bill as approved by our committee that I asked for this time today.

I announced in the committee last week that I would hope for a meaningful discussion of this new poverty package between Democrats and Republicans. I say "between Democrats and Republicans," not because I believe they should differ on a matter of how we should alleviate poverty but because we Republicans feel very strongly that there are serious flaws in this bill.

Supplementing my invitation to the members of the full committee last week, I sent out a written notice to all the members of the majority of our committee as well as, of course, the members of the minority, urging them to participate in a discussion of this bill. I regret that no single member of the majority of our committee has decided to discuss the proposal which he has supported. It makes more difficult the reasonable evaluation of what is in it—and, I might say, it is a bill of considerable complexity.

What does this bill contain, Mr. Speaker?

First of all, it is a bill which would establish a major new Federal agency, though existing agencies could well handle the money to be provided and new responsibilities to be authorized. It is a bill which authorizes the expenditure of close to a billion dollars in the first year, to establish programs which will obviously continue beyond that time, but without even authorizing the continuation of any of the various programs beyond the first year.

Apparently it is believed—I say "apparently" Mr. Speaker, because I am not certain what motivated the desire to reduce the authorization to a single year—that in some way Congress will have a better control over a program which it has not delineated with any specificity if it is set up for only 1 year. It is a fact, however, that the program is in part to set up a job corps where young men, and now also young women, would be usefully employed—kept occupied is perhaps a better expression—for a period of 2 years. This would mean, if we are to have a continuation of a program to continue for more than 1 year, that our committee would have to abandon all other

business early next year and consider authorizing a continuation of what would be established under this bill. It strikes me as a very unrealistic way of setting up a program.

This bill unquestionably establishes Federal responsibility of an almost limitless kind. Putting a 1-year limit on it does not mean, if we once approve this bill that we will not have demands upon us that may be hard to resist even in a postelection year.

In any event, this is a bill which will inevitably create great expectations but without the substance to satisfy such hopes.

What do I mean by that, Mr. Speaker? As I said, just under a billion dollars is to be made available for all the various titles of this bill. This amount is roughly the same amount as the city of New York spends in a 12-month period to alleviate the poverty of its citizens. The State of California alone spends more than \$800 million annually to alleviate poverty in various forms.

The State of California alone receives over \$400 million from the Department of Health, Education, and Welfare in a single year. So you can see, with the variety of ways in which Federal assistance could presumably be made available, how many demands might be made on Washington if this bill were to be enacted. Obviously, with \$1 billion divided more or less equitably—and I might say the proposed division of the funds is questionable, in my opinion—nothing much would be accomplished except to create the expectation that where some money has been made available, more will be forthcoming in the years to come if only the community or the State that would like some would be patient.

This bill is one which also fails to define with my specificity just what problems connected with poverty are to be attacked or how this is to be done. It is a bill which almost surely will lead to increased overlapping of Federal responsibility and duplication of Federal effort.

Mr. Speaker, perhaps a few examples will illustrate the reason for my deep concern. Just what is the new Director planning to do with the \$1 billion this bill would hand over to him? About one-third of the total is to go for so-called community action programs. No one knows what these programs will be. If we are seeking to widen opportunities for the poor, money presumably will be spent for training programs, for vocational education, for the teaching of various skills, and perhaps for programs which seek to improve the motivation of the beneficiaries.

But, Mr. Speaker, existing Federal programs already aim specifically at these areas. For example, the National Defense Education Act passed by Congress in 1958 provides assistance for needy students. If more needs to be done for students, why not amend or expand the National Defense Education Act? Why fragmentize assistance to students by giving a poverty czar responsibility for work study and work training programs?

So, too, with the passage last year of the Vocational Education Act, Congress

recognized the importance of modernization and revitalization of important programs in this area. The Manpower Development and Training Act and amendments thereto further buttress the Federal responsibility in training those who lack employable skills. These programs should be encouraged, in my opinion, and given adequate financing. Their effectiveness should not be cast into doubt by new poverty programs, set up ostensibly to achieve the same objectives. Such competition and duplication of effort cannot be condoned.

Proponents of this unsound legislation have made no effort—and that includes, unfortunately, today—to discuss or to defend this bill. For example, we have expressed honest concern at the likelihood of increasing duplication between various Federal programs. They have simply ignored what we have been saying.

Many of you have seen just in the past few days that a new Federal aid program is to be established in Cambridge, Md., to help, according to the newspaper reports, some 200 unskilled Negroes. It will be a joint effort by the Justice Department and the Labor Department. The Attorney General, Mr. Robert Kennedy, describes the program as an attempt to "instill a hope for the future" in the hard-core unemployed. Nearly \$95,000 will be spent on this program from funds available through the Manpower Development and Training Act.

This development, we all hope, will be helpful in easing the tension in Cambridge. Whatever the results may be, the announcement by two Federal departments that they will push such a project and finance it shows that we are not lacking the tools to provide help to so-called poverty areas. If the arguments of those who favor the Landrum-Powell-Johnson bill mean anything, they have in mind help to just such individuals as are to be provided with training in Cambridge. To give still another agency the right to act in such a situation might well inhibit what existing agencies are now doing, or help keep them from developing programs which are within their power and their capacity to initiate.

A few days ago you may have seen in both the Washington and New York newspapers a discussion about the difficulty of training the hard-core unemployed. This was a report issued by members of the Norfolk State College who recently concluded a federally sponsored project on retraining some 100 Negro men between 21 and 60 years of age, several of them functionally illiterate.

The findings of this survey team are of considerable interest. The newspaper report points out that—and here again this is an existing Federal program which financed this project; this project was financed largely by Federal funds provided under the Manpower Development and Training Act—although the training phase, which lasted a year, is over, project staff personnel are still trying to place some of the men in jobs and are following the experience of all of them to find out the results.



A deliberate effort was made to seek out the hardest of the hard-core unemployed—men who were for the most part uneducated, poverty stricken, and who had irregular work histories.

"The desperate plight of these Negroes," the report says, "many of them illiterate and many drained of hope, is well known." The report further says:

The older males are steadily displaced from muscle jobs by automated and rationalized ways of doing work. They can find no new jobs. The young men find it increasingly harder to enter the labor market at all. They cannot get the crucial first job.

I point these two specific projects out, Mr. Speaker, because they indicate the fact that the Federal Government is presently able under existing programs, and within the financial resources available to them, to make meaningful contributions toward doing something about the unemployed and the poverty stricken in this country.

On the other hand, Mr. Speaker, a detailed examination over a period of some 2 months of the Landrum-Powell-Johnson poverty package, the legislative appellation of President Johnson's self-proclaimed war on poverty, has clearly revealed its inadequacy, and its undesirable features. The bill incorporates a hastily contrived bundle of old retreads and recent rejects, capped off with an administrative structure and philosophy which bids fair to undermine and stifle the effective administration of many existing programs and to create chaos in established relationships between the States and the Federal Government.

At present there are more than 40 major antipoverty programs for which the Federal Government is responsible. These programs—aside from social security and unemployment compensation—consume about \$10 billion annually in Federal funds. At the moment, administration of these varied efforts is being handled by some nine departments and agencies of the Federal Government.

The current programs are reasonably well defined. The administrative relationship between the States and the Federal Government, which these programs properly entail, is firmly established. The objectives, procedures, and responsibilities of the various agencies involved are known and respected by all concerned. Simple logic would dictate, therefore, that if any of these existing programs need to be modified or extended, the administration of such amended programs should remain under the jurisdiction of established agencies. However, such simple logic is lost on the administration.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. FRELINGHUYSEN. I am delighted to yield to the gentleman from Illinois. I am pleased to see that at least one member of the majority on the Committee on Education and Labor is willing to participate in this discussion.

Mr. PUCINSKI. Mr. Speaker, I was very happy to hear the gentleman make a statement about the existing programs. Is not the very purpose of the

President's antipoverty bill to try to tie these programs together to make them at least once more effective? Is not the weakness of the present program the fact that we have, as the gentleman quite properly stated, more than 40 programs scattered through various Federal agencies, each going very often in its own direction? I would not attempt to estimate the number of programs being conducted by local, county, and State governments in the welfare field.

It has been estimated that local, State, and the Federal Government expend a monumental \$44 billion annually for various forms of assistance to the needy in this country; many of these programs would be effected by this legislation.

I am under the impression that the President's antipoverty program is designed to try to bring a more effective coordination of these activities in order to get these people off relief as quickly as possible. Mind you, the basic purpose of Mr. Johnson's bill is to get people off relief; off the public dole.

Is not that the purpose of the bill?

Mr. FRELINGHUYSEN. Well, the gentleman from Illinois may have a clearer idea of the purpose of the bill than I. But I would say its basic purpose is political in nature, and that it seeks to try to win attention of the ones who may vote next fall. I regret to say this, but I see no possible justification for suggesting that this poverty package will tie anything together more effectively. Instead, it would establish a poverty czar who could in essence dictate whether or not the Department of Health, Education, and Welfare should or should not engage in the financing of programs where it has present authority. However, it does not eliminate any of the 40-odd programs.

If this were a revision and a reorganization of the existing Federal efforts, if it were an elimination or the incorporation into one place of widely scattered or possibly duplicating efforts in the field of poverty, I might well be for it. But the gentleman from Illinois knows as well as I—and I hope he is not trying to create the impression that this bill attempts to do that—this proposed legislation does not tie anything together, except in the sense that there will be someone looking over the shoulder of nine different governmental agencies who are operating under laws of their own, which have not been repealed as far as I know, and which would not be repealed through the passage of this legislation.

So, Mr. Speaker, if there is weakness present in the existing expenditure of \$10 billion of the taxpayers' money under the present Federal programs, that weakness is not going to be corrected by the establishment of still a 43d agency, there will be no effect on the multiple agencies which already have the responsibilities and will continue to carry them out.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield further?

Mr. FRELINGHUYSEN. I shall be glad to yield to the gentleman if he can only throw some light on the motivation behind this bill. I hope the gentleman will have some comment along that line.

Mr. PUCINSKI. As the gentleman knows, I have the highest regard for him. He is the ranking minority member of the Committee on Education and Labor. I am very happy that the gentleman has taken this time today for a discussion of this matter.

I believe it is important for us to discuss this bill; your side to present your views, and our side to present our views.

Would the gentleman agree that the very preamble of this proposal by President Johnson calls for a mobilization of our present efforts and activities in this entire field of public welfare? When the gentleman uses the word "czar," that is his word. We use the word "mobilizer."

The President of the United States has selected a man whom we consider to be one with outstanding and exceptional ability, Sargent Shriver, who has a good record, an outstanding administrative record, to take the existing programs today which are so costly to the American taxpayer at all levels of government—local, county, State and Federal—and try to coordinate and mobilize these programs into more effective action in order to get people off relief.

Would my colleague the gentleman from New Jersey [Mr. FRELINGHUYSEN] agree, and would it not be proper for me to ask the gentleman that whoever opposes President Johnson's antipoverty program designed to take people off relief is in effect saying he is for the continuation of the welfare state? Does not that follow?

Mr. FRELINGHUYSEN. No. Of course, the gentleman himself is advocating the development of a welfare state by advocating a new Federal agency which presumably is going to be more effective.

Mr. PUCINSKI. On the contrary. We want to reduce and eventually eliminate the welfare state by training people to get jobs so they will not have to be on welfare and the need for welfare agencies can be reduced substantially. We hope to ultimately phase out many of these welfare agencies as people are trained and put to work; obviously when they become trained for work, we take them off relief.

Mr. FRELINGHUYSEN. No; you are advocating a welfare state. However, we say we are opposed to a new agency of unspecified authority, but we know that its power is going to be considerable.

If I could agree with the gentleman—and I am not sure whether one should—the new commander in chief, the mobilizer—I do not know what we call him—I call him a czar—

Mr. PUCINSKI. We call him a mobilizer.

Mr. FRELINGHUYSEN. As long as we keep a military connotation, apparently that is what the President himself calls him, commander in chief. If we set up a commander in chief, presumably he has authority to knock heads together of those who have been operating these programs. Presumably, there has been something ineffective about Secretary Celebrezze of the Department of Health, Education, and Welfare who is in charge of some 14 of these programs to alleviate poverty. I do not see why the Secretary should be made a



doormat and told by Mr. Shriver how he should run his business. That strikes me as a nonsensical approach. I do not believe through this bill we will develop a more effective way to go about this problem. What we are saying is that if we want to improve these programs, we should improve the ones we have already, instead of setting up a man with a hunting license to go out and decide for himself which programs he thinks are being well run and which are not.

Regarding the need to coordinate what is being done at the local level or State level, this will work in quite the opposite direction. Consider title II of this bill. Community action programs can be financed by the Federal Government without the participation in any way of any local government at all. There will be no participation by any State government if this bill should go through. The Governor may give his comments, but he may not veto a Federal program.

Mayor Wagner might not veto a federally financed program in his own city. I might remind the gentleman, as he well knows, Mayor Wagner said there should be such a veto power on the part of the local authorities. We have not provided that. This bill is not going to increase the possibilities of coordination between local people. We have already seen the head of the New York Board of Education, for example, appeal directly to Mr. Shriver for help in what he would like to do about integration in schools. This will lead to a complete collapse of what a community, such as New York City, is trying to do in coordination of its own programs. It will allow the Federal Government to decide whether or not to respond to a request from a local agency—it can be a private agency, a single private agency, not coordinated with any public or private agency, for financing a project, the local group can do so despite the lack of relationship of that program to any other effort the community is making. This is not a step in the right direction; it is going to be a step toward chaos.

Mr. PUCINSKI. The gentleman discusses the New York situation, and he made various allegations regarding this legislation. It is not inconceivable that the superintendent of the New York schools might interpret this act in one way and try to get some assistance. The gentleman participated in many of the sessions that were held in committee marking up this bill. I am sure the gentleman is aware of the fact, and if he is not, I suggest he read the bill, that every effort will be made to work through the Governor and other local public authorities where there is a facility in existence to meet the problem at the local level.

It is true that the Federal Government can enter into an agreement with a not-for-profit private organization in community action programs, not necessarily related to a Government agency if a Government agency does not participate or does not set up a program. But the bill stresses that priority shall be given to public agencies and that the Governor of a State shall be informed of all programs.

The gentleman knows there are many areas in this country where there are

very serious problems involving poverty. These problems are frequently transplanted to the gentleman's community and other urban areas because of large-scale migration of impoverished families seeking economic opportunities. What happens in the impoverished areas of rural America should be of concern to all of us from large cities because sooner or later these problems are visited upon our urban areas as people move.

Mr. FRELINGHUYSEN. May I comment on what the gentleman has just said? In answer to his question, if this is a question of the abdication of the local community in doing its own job, or an abdication of a State in doing its job, and the Federal Government is asked to step into a vacuum, surely we should step in only under certain conditions. One of the conditions should be that they have a sound reason, and that the community or State make an appropriate effort on its own part.

There is no meaningful matching requirement on the part of the State or the local government in this bill. There is no requirement that the community must try to solve its poverty problems or is coordinating in order to get this Federal handout. This can be given to a single private agency; it does not have to have a public flavor at all.

The so-called community action program can now be handled by one agency which may not have a responsibility at all—the gentleman suggested I read the bill, and I have read it—with respect to local and State agencies. That, in my opinion, indicates ignorance of the bill. There is no requirement that any effort be made by anybody, least of all the poverty czar, mobilizer, or coordinator, call him what you will, through local and State agencies. In fact, Mr. Shriver suggested before our committee that referring problems to the States would be a wooden method. One of the reasons he wants a free hand is because he would not have to work with the local or State governments. I am sure the gentleman, if he was there that day, will remember this colloquy.

Mr. PUCINSKI. Would the gentleman be prepared to have in the Record at this point title II of the bill? The record can then speak for itself.

Mr. FRELINGHUYSEN. If the gentleman wants an appropriate quote from title II which he thinks would be appropriate—

Mr. PUCINSKI. I would like to put in the entire title II.

Mr. FRELINGHUYSEN. No, I decline to have the whole of title II put in. We might just as well read the whole bill to demonstrate its weakness, not only in title II but in other titles.

This proposal begins by creating a whole new layer of Federal bureaucracy, the so-called Office of Economic Opportunity. It is to be headed by Sargent Shriver, if President Johnson has his way, whom we may call a commander in chief, mobilizer, or whatever you will. He will be in control, but with no guidelines as to how to spend the money, up to a billion dollars in the first year of the program. He will have very considerable responsibility for the tens of

billions of dollars which other Federal agencies now are spending in the same area, whatever that responsibility is. The way he thinks that money should be spent remains to be seen, but the bill specifically directs the listed agencies to knuckle under to the poverty czar in a very real way.

The powers given to the Director under the pending bill are without limit or restraint. A myriad of functions are conferred directly upon him by this bill. Since many of these functions are already being carried forward by existing departments, this bill, by its unlimited grant of power to the poverty Director, reduces existing agencies to the position of handmaidens to the new poverty czar. It would seem that the President has lost confidence in his Cabinet, that he needs a new superczar to ride herd on the members of his own official family.

What other conclusion can be derived from the language of the bill? Section 12 provides that existing departments shall cooperate—and this is "shall"—shall cooperate in carrying out his duties and responsibilities. They shall carry out their own programs and perform their own functions in such a manner as will to the maximum extent possible assist the Director in carrying out his responsibilities. They shall, at the order of the President, divert—whatever that may mean—their present programs, functions, and funds to the benefit of the Director. I assume this diversion is not his personal benefit; it must mean to the benefit of the programs which the Director decides are to be carried on.

Mr. PUCINSKI. In the gentleman's very learned opinion, what is wrong with that language?

Mr. FRELINGHUYSEN. I think it would be an impossible intrusion on the legislative authority given to the existing heads of the departments to require that they divert their functions and money to the Director insofar as the President may suggest.

What we are doing is saying that we do not like what we have established over a period of decades—we do not think it is effective—and we are going to reorganize the whole thing without any legislative approval of just what the reorganization might be. This approach strikes me as an invitation to chaos of the worst kind. I do not see how the gentleman can ask such a question. Surely, he does not feel there is any merit in such a suggestion.

Mr. PUCINSKI. Would the gentleman then say it is wrong for the left hand to know what the right hand of this big Government is doing? That is all the program calls for.

Mr. FRELINGHUYSEN. What a question. Of course, it is not wrong for the left hand to know what the right hand is doing. Admittedly, in many cases this administration gives the impression that one part does not know what another part is doing. We are not going to correct that problem by establishing still another agency to watchdog all the various efforts that are going on. If we need to improve the Federal establishment, let us improve it. Let us not



kid ourselves by saying that this kind of approach is going to improve anything.

Mr. PUCINSKI. Will the gentleman yield for another question?

Mr. FRELINGHUYSEN. I hesitate to keep yielding to the gentleman. I know how much he is trying to contribute to a meaningful discussion.

Mr. PUCINSKI. The gentleman notified me and invited me to be here and to participate in this discussion.

Mr. FRELINGHUYSEN. I have not failed to yield to the gentleman, but my patience is wearing a bit.

Mr. PUCINSKI. I am very grateful to the gentleman, but would the gentleman show me in this bill where there are all these new agencies that the gentleman is talking about being created?

Mr. FRELINGHUYSEN. I am not talking about new agencies. If the gentleman listened at all, he would know that I am talking about the Office of Economic Opportunity, a very considerable agency which if not at the Cabinet level may be somewhat higher than Cabinet level. They will be able to direct Cabinet members as to how they shall organize and handle their own programs. Now have I satisfied the gentleman? I am talking about an agency that supposedly is going to have only between 300 and 400 people. This agency is going in some magical way, by computer or otherwise, process applications from communities and parts of communities all over the country which feel like spending some Federal money. This agency is going to do this without the cooperation of either the communities or the States from which those applications are coming.

I would suggest that the single agency which is to be established is going to have very real authority and very real problems. It will contribute to the nightmare that some people think Washington already is.

Mr. PUCINSKI. That is precisely what this bill provides for. It provides an agency that will attempt to bring a greater degree of coordination between the various fields; reduce duplication and eliminate as much as possible any waste in existing programs in this entire welfare field.

Mr. FRELINGHUYSEN. Mr. Speaker, if there is chaos today in the whole field, the way to get at the problem is by looking at what we are doing and trying to improve what we are doing. We are not going to do that if, as I say, innumerable well established and well administered programs in the Federal Government, as well as all agencies and departments and countless employees responsible to those agencies, are to be reshaped and reshuffled and redirected—all in the interest of lending an aura of stature and stability to the poverty czar. It is as simple as that. It is quite obvious from the discussion that has been had that we are not going to end the chaos in Washington by adding still another layer of confusion to what we already have.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to gentleman from Ohio.

Mr. BOW. The gentleman is making

an excellent presentation of this problem here today. I am amazed that since he has invited members of the committee and others to be present that only one member of the majority side of the committee has seen fit to be here. I understand also that during the consideration of this bill many times the majority met without the assistance of the minority. Because of the importance of the gentleman's speech, may I ask him this: Does the gentleman feel perhaps it would be well to have a quorum here to understand this problem? It seems the majority is not interested in this and I also understand that if I should make a point of order of no quorum, an effort will be made to adjourn. I can assure you if they do that, there would then be an effort made to have a vote on a motion to adjourn. But does the gentleman feel that he would like to have a quorum here to understand the Republican point of view?

Mr. FRELINGHUYSEN. Mr. Speaker, in response to the suggestion made by the gentleman from Ohio, I should like to urge him to resist the temptation to make the point of order that a quorum is not present. I, myself, think it is going to be difficult for reasonable men and women—and I hesitate to think that they are all on the Republican side of the aisle—reasonable men and women to get a majority here to make them aware of our honest concern.

There are none so blind as those who do not want to see, and none so deaf as those who do not want to hear.

Mr. BOW. It seems that there are those today who do not want to see or to hear the minority views on this matter. We are just as anxious as anyone to clear up this situation, but a boycott of this kind against an excellent presentation, which the gentleman is making, it seems to me is a shame.

Mr. FRELINGHUYSEN. I thank the gentleman for his comments. I appreciate his suggestion, but I believe we can state our side of the case with or without interruptions from members of the majority party.

In any event, Mr. Speaker, this brash and unprecedented bypassing of established State and local governments is both dangerous and unsound. In commenting on this aspect of the pending proposal, the U.S. Conference of Mayors stated in part:

Any Federal legislation that is to involve local citizen action in a war on poverty must clearly place the responsibility for program development and execution with responsible local government \* \* \* if the Federal Government's entry into this foray is to be most effective, its assistance must be channeled to local communities in a manner consistent with local government responsibility and obligation \* \* \* to launch a program of new aids to local private groups without governmental coordination at the local level would be a step backward.

I would say "Amen" to that, Mr. Speaker. This is exactly what is not being authorized under this program. It seems to me it would be disastrous to attempt to improve the situation among the less fortunate in our country if we did not, of necessity, rely on our local communities. Is it not also true that, if

it is important for us to involve local communities, we should involve also our States? Why is there such a reluctance, Mr. Speaker, to involve State and local governments in this process of alleviating poverty?

Mr. Shriver, in testifying before our committee, when asked what he thought of utilizing the States to determine where money from the Federal Government should be spent, stated that it would be a "wooden arrangement" and "unduly restrictive." He likewise made light of the argument that cities should have some control over Federal projects in their areas.

Mayor Wagner of New York City testified strongly that his city should have some kind of veto over Federal projects in his city.

There seems to be a feeling that State and local governments are not to be trusted, that they are too often controlled by vested interests, and that they will unduly delay needed programs with unnecessary redtape. We have heard some of that discussed by the gentleman from Illinois.

This point of view was vividly expressed by Harry M. Caudill in an article entitled "The Permanent Poor," appearing in the June 1964 issue of the Atlantic magazine. Mr. Caudill argues persuasively that in eastern Kentucky government at all levels has proved inadequate to cope with the problems which arose out of the declining demand for coal. In such a situation, Mr. Caudill feels a system of federally administered public works is needed. Perhaps his reasons for bypassing State government should be quoted directly:

In eastern Kentucky, and in many other depressed areas, the State government will not act effectively to combat poverty and economic decline because it is allied to or controlled by the interests that produced the problems. Thus, State officials talk piously about reform but strenuously oppose any real effort to attack the status quo. They respond to the political machines nurtured by welfare grants and founded on impoverished and dependent citizens. It is not too much to expect that, as matters now stand, Federal funds trickling through State treasuries will finance the rebuilding of new political machines in practically every State—machines more odious than those once bossed by Crump, Pendergast, and Hague.

Perhaps there may be occasions, Mr. Speaker, where State governments cannot or ought not to be trusted. Certainly, I cannot vouch for the accuracy of Mr. Caudill's statements about eastern Kentucky. If this situation is as he describes it, perhaps a case could be made for vigorous Federal action. However, I feel strongly that weaknesses in a few States, or a few communities, should not lead us to bypass and undercut all States and all communities.

Mr. MARTIN of California. Mr. Speaker—

Mr. FRELINGHUYSEN. I yield to the gentleman from California.

Mr. MARTIN of California. I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. LIBONATI). Evidently a quorum is not present.



Mr. STRATTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 142]

|                   |                |               |
|-------------------|----------------|---------------|
| Andrews, Ala.     | Evins          | Monagan       |
| Ashley            | Farbstein      | Morrison      |
| Ashmore           | Flynt          | Morse         |
| Aspinall          | Forrester      | Multer        |
| Auchincloss       | Fraser         | Nix           |
| Avery             | Fulton, Pa.    | Pepper        |
| Barrett           | Gallagher      | Perkins       |
| Bass              | Garmatz        | Pilcher       |
| Battin            | Gary           | Pool          |
| Berry             | Gialmo         | Powell        |
| Blatnik           | Gonzalez       | Purcell       |
| Bolling           | Goodling       | Rains         |
| Bolton            | Grabowski      | Reifel        |
| Frances P. Bonner | Grant          | Riehlman      |
| Bray              | Griffiths      | Rivers, S.C.  |
| Brock             | Gubser         | Roberts, Ala. |
| Bromwell          | Hagen, Calif.  | Roberts, Tex. |
| Brown, Calif.     | Hanna          | Rodino        |
| Broyhill, Va.     | Harsha         | Rooney, Pa.   |
| Buckley           | Healey         | Roosevelt     |
| Burke             | Hébert         | Roybal        |
| Burkhalter        | Herlong        | St Germain    |
| Burton, Calif.    | Hoffman        | St. Onge      |
| Burton, Utah      | Holland        | Schadeberg    |
| Byrne, Pa.        | Huddleston     | Scott         |
| Cahill            | Hull           | Secrest       |
| Cameron           | Hutchinson     | Selden        |
| Casey             | Ichord         | Sheppard      |
| Celler            | Jarman         | Short         |
| Clark             | Joelson        | Sibal         |
| Clawson, Del.     | Johnson, Wis.  | Smith, Calif. |
| Colmer            | Jones, Ala.    | Steed         |
| Cooley            | Karth          | Stinson       |
| Corbett           | Kee            | Toll          |
| Corman            | Kilburn        | Tupper        |
| Daddario          | King, N.Y.     | Utt           |
| Davis, Ga.        | Kirwan         | Van Pelt      |
| Davis, Tenn.      | Kyl            | Vinson        |
| Dawson            | Lankford       | Wallhauser    |
| Dent              | Lesinski       | Watts         |
| Derounian         | Long, La.      | Westland      |
| Devine            | Macdonald      | Wharton       |
| Diggs             | Martin, Mass.  | Wickersham    |
| Dingell           | Matsunaga      | Williams      |
| Dorn              | May            | Wilson,       |
| Dulski            | Meader         | Charles H.    |
| Dwyer             | Michel         | Wilson, Ind.  |
| Elliott           | Miller, Calif. | Winstead      |
| Everett           | Miller, N.Y.   | Wright        |
|                   | Minish         |               |

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall, 282 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New Jersey [Mr. FRELINGHUYSEN].

#### LEGISLATIVE PROGRAM

Mr. BOGGS. Mr. Speaker, will the gentleman yield for the purpose of making an announcement to the House on the legislative program?

Mr. FRELINGHUYSEN. I am glad to yield to the gentleman.

Mr. BOGGS. I take this time to announce to the House that the conference report on the deficiency appropriation bill will be called up tomorrow.

I thank the gentleman from New Jersey for yielding.

Mr. FRELINGHUYSEN. Mr. Speaker, before the interruption I was pointing out that there may be occasions where State governments and local governments cannot or ought not to be trusted. However, I do feel strongly that weakness in a few States or a few communities should not lead us to bypass—

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The chair will count. [After counting.] One hundred and seventy-nine Members are present, not a quorum.

Mr. SISK. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn.

Mr. BOW. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 10, nays 289, not voting 132, as follows:

[Roll No. 143]

YEAS—10

|         |            |                |
|---------|------------|----------------|
| Addabbo | Hardy      | Rivers, Alaska |
| Denton  | Hays       | Smith, Va.     |
| Downing | Jones, Mo. |                |
| Edwards | McDowell   |                |

NAYS—289

|                   |                 |                |
|-------------------|-----------------|----------------|
| Abbitt            | Duncan          | Lennon         |
| Abele             | Edmondson       | Libonati       |
| Abarnethy         | Ellsworth       | Lindsay        |
| Adam              | Felghan         | Lipscomb       |
| Albert            | Findley         | Lloyd          |
| Alger             | Finnegan        | Long, Md.      |
| Anderson          | Fino            | McClory        |
| Andrews, N. Dak.  | Fisher          | McCulloch      |
| Arends            | Flood           | McDade         |
| Ashbrook          | Fogarty         | McFall         |
| Ashley            | Foreman         | McIntire       |
| Aspinall          | Fountain        | McLuskey       |
| Ayres             | Fraser          | Macdonald      |
| Baker             | Frelinghuysen   | MacGregor      |
| Baldwin           | Fulton, Tenn.   | Madden         |
| Baring            | Fuqua           | Mahon          |
| Barry             | Garmatz         | Mailhard       |
| Bates             | Gary            | Marsh          |
| Becker            | Gathings        | Martin, Calif. |
| Beckworth         | Gibbons         | Martin, Nebr.  |
| Beermann          | Gilbert         | Mathias        |
| Belcher           | Gill            | Matthews       |
| Bell              | Glenn           | Milliken       |
| Bennett, Fla.     | Goodell         | Mills          |
| Bennett, Mich.    | Gray            | Minshall       |
| Berry             | Green, Oreg.    | Monagan        |
| Betts             | Green, Pa.      | Montoya        |
| Boggs             | Griffin         | Moore          |
| Boland            | Gross           | Moorehead      |
| Bolton            | Grover          | Morgan         |
| Francis P. Bolton | Gurney          | Morris         |
| Oliver P. Bolton  | Hagan, Ga.      | Morrison       |
| Bonner            | Haley           | Morse          |
| Bow               | Hall            | Morton         |
| Brademas          | Halleck         | Mosher         |
| Brooks            | Halpern         | Moss           |
| Brotzman          | Hansen          | Murphy, Ill.   |
| Brown, Ohio       | Harding         | Murphy, N.Y.   |
| Broyhill, N.C.    | Harris          | Murray         |
| Burkhalter        | Harrison        | Natcher        |
| Burleson          | Harsha          | Nedzi          |
| Byrnes, Wis.      | Harvey, Ind.    | Nelsen         |
| Carey             | Harvey, Mich.   | Norblad        |
| Cederberg         | Hawkins         | O'Brien, N.Y.  |
| Chamberlain       | Hechler         | O'Hara, Ill.   |
| Chelf             | Henderson       | O'Hara, Mich.  |
| Chenoweth         | Hoeven          | O'Konski       |
| Clancy            | Hollifield      | Olsen, Mont.   |
| Clark             | Horan           | Olsen, Minn.   |
| Clausen           | Horton          | O'Neill        |
| Don H. Cleveland  | Hosmer          | Osmers         |
| Cohelan           | Jennings        | Ostertag       |
| Collier           | Jensen          | Passman        |
| Conte             | Johansen        | Patman         |
| Corbett           | Johnson, Calif. | Pelly          |
| Cramer            | Johnson, Pa.    | Philbin        |
| Cunningham        | Jonas           | Pickle         |
| Curtin            | Karsten         | Pike           |
| Curtis            | Kastenmeier     | Pillion        |
| Daddario          | Keith           | Pirnie         |
| Dague             | Keogh           | Poage          |
| Daniels           | Kilgore         | Poff           |
| Delaney           | King, Calif.    | Price          |
| Derwinski         | Kluczynski      | Pucinski       |
| Devine            | Knox            | Purcell        |
| Dingell           | Kornegay        | Quie           |
| Dole              | Kunkel          | Quillen        |
| Donohue           | Laird           | Randall        |
| Dowdy             | Landrum         | Reid, Ill.     |
|                   | Langen          | Reid, N.Y.     |
|                   | Latta           | Reuss          |
|                   | Leggett         | Rhodes, Ariz.  |

|               |                |               |
|---------------|----------------|---------------|
| Rhodes, Pa.   | Sickles        | Thomson, Wis. |
| Rich          | Sikes          | Tollefson     |
| Rivers, S.C.  | Siler          | Trimble       |
| Robison       | Sisk           | Tuck          |
| Rogers, Colo. | Skubitz        | Tuten         |
| Rogers, Fla.  | Slack          | Udall         |
| Rogers, Tex.  | Smith, Calif.  | Ullman        |
| Rooney, N.Y.  | Smith, Iowa    | Van Deerlin   |
| Rosenthal     | Snyder         | Vanik         |
| Rostenkowski  | Springer       | Waggoner      |
| Roudebush     | Staebler       | Watson        |
| Roush         | Stafford       | Watts         |
| Rumsfeld      | Staggers       | Weaver        |
| Ryan, Mich.   | Steed          | Weltner       |
| Ryan, N.Y.    | Stephens       | Whalley       |
| St. George    | Stratton       | White         |
| St. Onge      | Stubblefield   | Whitener      |
| Saylor        | Sullivan       | Whitten       |
| Schenck       | Taft           | Widnall       |
| Schneebell    | Talcott        | Willis        |
| Schweiker     | Taylor         | Wilson, Bob   |
| Schwengel     | Teague, Calif. | Wyder         |
| Senner        | Teague, Tex.   | Young         |
| Shipley       | Thomas         | Younger       |
| Shriver       | Thompson, La.  | Zablocki      |
| Sibal         | Thompson, Tex. |               |

NOT VOTING—132

|                |                |                |
|----------------|----------------|----------------|
| Andrews, Ala.  | Ford           | Minish         |
| Ashmore        | Forrester      | Multer         |
| Auchincloss    | Friedel        | Nix            |
| Avery          | Fulton, Pa.    | Patten         |
| Barrett        | Gallagher      | Pepper         |
| Bass           | Gialmo         | Perkins        |
| Battin         | Gonzalez       | Pilcher        |
| Blatnik        | Goodling       | Pool           |
| Bolling        | Grabowski      | Powell         |
| Bray           | Grubbs         | Rains          |
| Brock          | Griffiths      | Reifel         |
| Bromwell       | Gubser         | Riehlman       |
| Broomfield     | Hagen, Calif.  | Roberts, Ala.  |
| Brown, Calif.  | Hanna          | Roberts, Tex.  |
| Broyhill, Va.  | Healey         | Rodino         |
| Bruce          | Hébert         | Rooney, Pa.    |
| Buckley        | Herlong        | Roosevelt      |
| Burke          | Hoffman        | Roybal         |
| Burton, Calif. | Holland        | St Germain     |
| Burton, Utah   | Huddleston     | Schadeberg     |
| Byrne, Pa.     | Hull           | Scott          |
| Cahill         | Hutchinson     | Secrest        |
| Cameron        | Ichord         | Selden         |
| Casey          | Jarman         | Sheppard       |
| Celler         | Joelson        | Short          |
| Clawson, Del.  | Johnson, Wis.  | Stinson        |
| Colmer         | Jones, Ala.    | Thompson, N.J. |
| Cooley         | Karth          | Toll           |
| Corman         | Kee            | Tupper         |
| Davis, Ga.     | Kelly          | Utt            |
| Davis, Tenn.   | Kilburn        | Van Pelt       |
| Dawson         | King, N.Y.     | Vinson         |
| Dent           | Kirwan         | Wallhauser     |
| Derounian      | Kyl            | Westland       |
| Diggs          | Lankford       | Wharton        |
| Dorn           | Lesinski       | Wickersham     |
| Dulski         | Long, La.      | Williams       |
| Dwyer          | McMillan       | Wilson,        |
| Elliott        | Martin, Mass.  | Charles H.     |
| Everett        | Matsunaga      | Wilson, Ind.   |
| Evins          | May            | Winstead       |
| Fallon         | Meader         | Wyman          |
| Farbstein      | Michel         |                |
| Fascell        | Miller, Calif. |                |
| Flynt          | Miller, N.Y.   |                |

So the motion was rejected.

Mr. BROOKS and Mr. BURLESON changed their vote from "nay" to "yea." The result of the vote was announced as above recorded.

#### THE "POVERTY PACKAGE"

The SPEAKER pro tempore (Mr. ALBERT). The Chair recognizes the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at the conclusion of my remarks today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, my train of thought has been some-



what interrupted, but I was trying to conclude some comment about the weaknesses in the President's poverty package.

As I was saying, if we should decide there are weaknesses in a few States or communities, this should not lead us to undercut and bypass all the States of our community.

If States cannot be trusted to devise and police their own programs to alleviate poverty, as they do in so many other fields, I doubt strongly whether some benevolent bureaucrat sitting in Washington can do better. So, too, we must trust those who are in charge of our cities. If politicians may motivate decisions at the local and State level, can we expect decisions made in Washington to be any less susceptible?

Mr. Speaker, the pending Landrum-Powell-Johnson proposal is at best an ill-advised and ill-conceived undertaking. At worst, it is a naked grab for unprecedented, unwarranted, Federal power, fraught with mischief. Not only does this bill lay the groundwork for a reshuffling of the Federal Government and the relegation of the Cabinet-level departments to a secondary role, it also carries a blueprint to reduce established State and local governments to tenuous dependencies, functioning at the sufferance of Federal bureaucracy, with no purpose, no function, and no responsibility in behalf of their fellow citizens.

Mr. Speaker, it is time for every Member of Congress to take a long, hard look at this so-called poverty proposal.

It is my understanding, Mr. Speaker, that the committee report is being filed today, together with minority views with respect to this proposal. It is essential that we identify this proposal for what it is. Let it not be said that we sacrificed the future of America for a slogan.

Mr. Speaker, I yield to the gentleman from California [Mr. BELL], a member of the committee.

Mr. BELL. Mr. Speaker, it is with great regret that I rise to speak against H.R. 11377.

Nothing would bring me greater pleasure than to be able to honestly say that the solution to the elimination of poverty in our land lies in this bill.

The answer, unfortunately, is not in H.R. 11377 and I would not be acting responsibly if I attempted to have you believe otherwise.

It cannot be doubted that a war should be waged against poverty.

The ends are not questioned, but I am here to say that the methods are, and should be questioned.

This is the issue we are presenting today. Does H.R. 11377 present an effective method to fight poverty in 1964?

I feel it is not and I will attempt to indicate the weaknesses of the "package" approach proposed in the Landrum bill.

Specifically, it is my task to point to the lack of sound reasoning in title I which includes the controversial job corps.

It should first of all be pointed out that the job corps of title I is not a novel plan.

Basically, it is a slightly modified version of H.R. 5131, the youth conservation corps proposal introduced in March of 1963.

That bill has remained for over a year in the House Rules Committee without action.

That committee has not seen wisdom in the plan as a separate piece of legislation and I fail to see greater wisdom in it as a part of this package.

The principal difference between H.R. 5131 and the current proposal is that the former placed the program under the jurisdiction of the Secretary of Labor, whereas the latter places it under the jurisdiction of a new Federal office—the Office of Economic Opportunity.

The provision has been compared to the Civilian Conservation Corps of the 1930's. I hold, however, that there are vast differences between the times and the conditions.

The Civilian Conservation Corps camps came into existence in a time of great depression when, not only the youth of the Nation were unemployed, but approximately 11 million of our citizens.

Today, however, we are riding one of the longest sustained economic booms in history.

Employment is the highest in history. Therefore the times are not the same and the problems are not the same.

Nineteen hundred and sixty-four problems must be solved with 1964 techniques.

The focus is upon school dropouts and selective service rejectees.

These are young people who for physical, mental, or social reasons have not been able to cope effectively with their environment and who have not moved ahead with the majority of their generation.

The primary need of this group is retraining, rehabilitation, and most importantly, economic opportunity.

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] There are 159 Members present; not a quorum.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

Mr. JONES of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. ALBERT). No parliamentary inquiry can be made.

Mr. JONES of Missouri. I can make a parliamentary inquiry; certainly.

The SPEAKER pro tempore. A quorum is not present. A call of the House has been ordered. The gentleman cannot make his parliamentary inquiry in the absence of a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

| [Roll No. 144] |               |                |
|----------------|---------------|----------------|
| Andrews, Ala.  | Ford          | Miller, Calif. |
| Ashmore        | Forrester     | Miller, N.Y.   |
| Auchincloss    | Fraser        | Minish         |
| Avery          | Fulton, Pa.   | Multer         |
| Barrett        | Gallagher     | Nix            |
| Bass           | Gialmo        | Pepper         |
| Battin         | Gonzalez      | Perkins        |
| Blatnik        | Goodling      | Pilcher        |
| Bolling        | Grabowski     | Pool           |
| Bray           | Grant         | Powell         |
| Brock          | Griffiths     | Rains          |
| Bromwell       | Gubser        | Reifel         |
| Brown, Calif.  | Hagen, Calif. | Riehlman       |
| Broyhill, Va.  | Hanna         | Roberts, Ala.  |
| Bruce          | Harsha        | Roberts, Tex.  |
| Buckley        | Healey        | Rodino         |
| Burke          | Hébert        | Rooney, Pa.    |
| Burton, Calif. | Herlong       | Roosevelt      |
| Burton, Utah   | Hoffman       | Roybal         |
| Byrne, Pa.     | Holland       | St Germain     |
| Cahill         | Huddleston    | Schadeberg     |
| Cameron        | Hull          | Schwengel      |
| Casey          | Hutchinson    | Scott          |
| Celler         | Ichord        | Secrest        |
| Chamberlain    | Jarman        | Selden         |
| Clawson Del    | Joelson       | Sheppard       |
| Colmer         | Johnson, Wis. | Short          |
| Cooley         | Jones, Ala.   | Smith, Calif.  |
| Corman         | Karth         | Staebler       |
| Davis, Ga.     | Kee           | Stinson        |
| Davis, Tenn.   | Kelly         | Toll           |
| Dawson         | Kilburn       | Tupper         |
| Dent           | King, Calif.  | Tuten          |
| Derounian      | King, N.Y.    | Utt            |
| Diggs          | Kirwan        | Van Pelt       |
| Dorn           | Kluczynski    | Vinson         |
| Dulski         | Kyl           | Wallhauser     |
| Duncan         | Landrum       | Westland       |
| Dwyer          | Lankford      | Wharton        |
| Edmondson      | Lesinski      | Wickersham     |
| Elliott        | Long, La.     | Williams       |
| Everett        | McClory       | Wilson,        |
| Evins          | Martin, Mass. | Charles H.     |
| Fallon         | Matsunaga     | Wilson, Ind.   |
| Farbstein      | May           | Winstead       |
| Fisher         | Meador        | Wright         |
| Flynt          | Michel        | Wyman          |

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 292 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. BELL. Mr. Speaker, it is my feeling that the Job Corps proposal does not provide the specialized instruction to meet this need.

Such retraining must be carried out where the facilities, the equipment, and the trained personnel are available.

Mr. JONES of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman yield for a parliamentary inquiry?

Mr. BELL. Mr. Speaker, I yield.

Mr. JONES of Missouri. Mr. Speaker, is a motion to adjourn now in order?

The SPEAKER pro tempore. If the gentleman yields for that purpose.

Mr. JONES of Missouri. This is a parliamentary inquiry. I tried to propound a parliamentary inquiry a minute ago, but I could not get any response.

Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The gentleman's motion is out of order.

Mr. JONES of Missouri. It is out of order?

The SPEAKER pro tempore. Unless the gentleman yields for that purpose.

Mr. BELL. Mr. Speaker, I do not yield.



Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred twenty-six Members are present, a quorum.

Mr. BELL. Mr. Speaker, we know that the teacher shortage in the conventional educational system is acute.

Where, then, can we hope to find adequately trained staffs for these isolated camps.

In this connection I would point out that just last year this Congress, through the Education and Labor Committee, approved a greatly expanded Manpower Development and Training Act and the Vocational Education Act.

These carefully drafted acts are aimed directly at the problems of the 16- to 22-year-old age group.

The danger of duplication is obvious.

Furthermore, I strongly believe that far more gratifying results could be expected through a concentrated implementation of these programs than a gamble on an untried program such as the Job Corps.

Second. The Job Corps involves expenditures far in excess of anticipated accomplishments.

According to administration testimony the cost per enrollee in this program will come to at least \$4,700 per year.

This is almost twice the monetary standard of need on which the poverty bill is predicated.

It is more than enough to send a young person to any one of the top colleges in the country.

If effective results could be expected from this program it would be one thing.

But when one considers that participation in the plan is purely voluntary and the enrollee may stay or go as he pleases, it must be conceded it is at best, a financial longshot.

In that connection, I would point to an experiment in my own State of California that verifies this contention.

There, a \$300,000 program aimed to retrain school dropouts itself became a victim of the dropout problem.

During the first 6 months of the program, 101 of the 194 youths enrolled dropped out.

Of the remaining 93, 11 completed the course.

There is no reason to think that the Job Corps of H.R. 11377 will have greater success.

In summary then, the Job Corps simply does not fit the needs of the times.

It will not equip the enrollee to make his way in the modern world.

I firmly believe that the funds can be spent more effectively by concentrating on the educational programs authorized and envisioned by the Manpower Development and Training and the Vocational Education Acts.

The need is to put these young people in tune with their actual needs, not to put them in tune with nature.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Mr. Speaker, I wish to command the distinguished ranking minority member of our Committee on Education and Labor for providing the House with a very thoughtful analysis and commentary on the so-called anti-poverty package now being promoted by the administration.

The gentleman from California [Mr. BELL] has referred to the so-called Job Corps which would be established under H.R. 11377. I should like to focus attention briefly upon that portion of title I of the bill which would set up a work-training program.

The estimated first year cost of the proposed work-training program is \$150 themillion. It would vest in Director of the proposed new Office of Economic Opportunity broad, almost limitless authority to assign as many as 200,000 young people to work for any unit of government or for any private nonprofit organization.

The Federal Government would pay 90 percent of the salary of each such worker during the first year, and 50 percent thereafter, except that if the Director determines that assistance in excess of such percentages is required, then the Federal Government can pay up to 100 percent of such salaries.

Although there are no provisions in the bill which so indicate, apparently it is understood among administration officials that the Poverty Director's authority under this program will be delegated to the Secretary of Labor.

When Secretary Wirtz appeared before the House subcommittee in support of this part of the bill, I questioned him concerning the meaning and scope of the term "nonprofit organizations" as it is used in the bill.

Set forth below are some excerpts which appear, beginning at page 210, in printed hearings on this legislation held by the House subcommittee:

Mr. GRIFFIN. The Republican Party is a nonprofit organization. I would assume that training with the Republican Party in a few areas might be useful in terms of getting a job. Would it be possible for the Director to assign an employee to the local Republican headquarters, could this be done under the bill?

Secretary WIRTZ. A short answer, and then just a little amplification. The short answer is "Yes." Any organization which brought forward a plan for removing poverty from an individual or a family in this country, by giving a youngster something to do which constituted a job and had training qualities to it, would be received affirmatively, favorably, and sympathetically. This would include, as a matter of logic, the possibility that that would be a political organization of one group or another. I think we would both agree that it would be unlikely that it would come from that area, but the answer to your question is that there is a wide open invitation to any kind of private group, and I assume administrative rules of responsibility; any kind of group that wants to do something about poverty.

Mr. GRIFFIN. I want to express my gratitude for the Secretary's very candid and honest answer which he always provides because he is a very fine lawyer. The answer, of course, would be the same if it were the local chamber of commerce or a local labor organization; is that not correct?

Secretary WIRTZ. Yes, sir.

Mr. GRIFFIN. I would suspect that every nonprofit organization in every community, and all the local governmental units, which could get additional hands [employees] by putting up 10 percent of the salary, will be flooding your office with applications; and you are going to have to pick and choose.

Secretary WIRTZ. I think that is right.

Mr. GRIFFIN. How the decision is made can have an important—and sometimes a frightening—influence upon the direction that our communities can take.

Secretary WIRTZ. That is one problem I love to look forward to.

The implications and possibilities for abuse in this program must be obvious. Unsound legislation, which undermines our successful system, should not be supported merely because it has been presented in the name of a war on poverty.

(Mr. GRIFFIN asked and was given permission to revise and extend his remarks and include excerpts from the hearings.)

Mr. JONES of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and eighty-two Members are present, not a quorum.

Mr. JONES of Missouri. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn.

Mr. CLANCY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 16, nays 271, not voting 143, as follows:

[Roll No. 145]

YEAS—16

|              |                |              |
|--------------|----------------|--------------|
| Abernethy    | Jones, Mo.     | Sisk         |
| Denton       | McCulloch      | Teague, Tex. |
| Dingell      | Olson, Minn.   | Tuten        |
| Harding      | Rivers, Alaska | Udall        |
| Harvey, Ind. | Rivers, S.C.   |              |
| Hays         | Roudebush      |              |

NAYS—271

|                |              |                 |
|----------------|--------------|-----------------|
| Abbt           | Burkhalter   | Frelinghuysen   |
| Abele          | Burleson     | Fulton, Tenn.   |
| Adair          | Byrnes, Wis. | Fuqua           |
| Addabbo        | Carey        | Gary            |
| Albert         | Cederberg    | Gathings        |
| Alger          | Chelf        | Gibbons         |
| Anderson       | Chenoweth    | Gilbert         |
| Andrews,       | Clancy       | Gill            |
| N. Dak.        | Clark        | Glenm           |
| Arends         | Clausen,     | Goodell         |
| Ashbrook       | Don H.       | Goodling        |
| Ashley         | Cleveland    | Gray            |
| Aspinall       | Cohelan      | Green, Oreg.    |
| Ayres          | Collier      | Green, Pa.      |
| Baker          | Conte        | Griffin         |
| Baldwin        | Corbett      | Gross           |
| Baring         | Cramer       | Grover          |
| Barry          | Cunningham   | Gurney          |
| Bates          | Curtin       | Hagan, Ga.      |
| Becker         | Curtis       | Haley           |
| Beckworth      | Daddario     | Hall            |
| Beermann       | Dague        | Halpern         |
| Belcher        | Daniels      | Hansen          |
| Bell           | Davis, Ga.   | Hardy           |
| Bennett, Fla.  | Delaney      | Harris          |
| Bennett, Mich. | Derwinski    | Harsha          |
| Berry          | Devine       | Harvey, Mich.   |
| Betts          | Dole         | Hawkins         |
| Boggs          | Donohue      | Hechler         |
| Boland         | Dowdy        | Henderson       |
| Bolton,        | Downing      | Hoeven          |
| Frances P.     | Ellsworth    | Hollifield      |
| Bolton,        | Fascell      | Horan           |
| Oliver P.      | Feighan      | Horton          |
| Bow            | Finnegan     | Hosmer          |
| Brademas       | Fino         | Jennings        |
| Brooks         | Fisher       | Jensen          |
| Broomfield     | Flood        | Johansen        |
| Brotzman       | Foreman      | Johnson, Calif. |
| Brown, Ohio    | Fountain     | Johnson, Pa.    |
| Broyhill, N.C. | Fraser       | Jonas           |



|                |               |                |
|----------------|---------------|----------------|
| Karsten        | Natcher       | Schwengel      |
| Kastenmeier    | Nedzi         | Senner         |
| Keith          | Nelsen        | Shipley        |
| Keogh          | Norblad       | Shriver        |
| Kilgore        | O'Brien, N.Y. | Sibal          |
| King, Calif.   | O'Hara, Ill.  | Sickles        |
| Kirwan         | O'Hara, Mich. | Sikes          |
| Knox           | O'Konski      | Siler          |
| Kornegay       | Olsen, Mont.  | Skubitz        |
| Kunkel         | O'Neill       | Slack          |
| Laird          | Osmers        | Smith, Calif.  |
| Langen         | Ostertag      | Smith, Iowa    |
| Latta          | Passman       | Snyder         |
| Leggett        | Patman        | Springer       |
| Lennon         | Patten        | Staeble        |
| Libonati       | Pelly         | Stafford       |
| Lindsay        | Philbin       | Staggers       |
| Lipscomb       | Pickle        | Steed          |
| Lloyd          | Pike          | Stephens       |
| Long, Md.      | Pirnie        | Stratton       |
| McClory        | Poage         | Stubblefield   |
| McDade         | Poff          | Sullivan       |
| McDowell       | Price         | Taft           |
| McFall         | Pucinski      | Talcott        |
| McIntire       | Purcell       | Taylor         |
| McLoskey       | Quie          | Teague, Calif. |
| Macdonald      | Quillen       | Thompson, La.  |
| MacGregor      | Randall       | Thompson, N.J. |
| Madden         | Reid, Ill.    | Thompson, Tex. |
| Mahon          | Reid, N.Y.    | Thomson, Wis.  |
| Malillard      | Reuss         | Tollefson      |
| Marsh          | Rhodes, Ariz. | Trimble        |
| Martin, Calif. | Rhodes, Pa.   | Tuck           |
| Mathias        | Rich          | Ullman         |
| Matthews       | Robison       | Van Deerlin    |
| Milliken       | Rogers, Colo. | Vanik          |
| Mills          | Rogers, Fla.  | Waggonner      |
| Minshall       | Rogers, Tex.  | Watson         |
| Monagan        | Rooney, N.Y.  | Watts          |
| Montoya        | Rosenthal     | Weaver         |
| Moore          | Rostenkowski  | Weitner        |
| Moorhead       | Roush         | Whalley        |
| Morgan         | Rumsfeld      | White          |
| Morris         | Ryan, Mich.   | Whitener       |
| Morse          | Ryan, N.Y.    | Whitten        |
| Morton         | St. George    | Widnall        |
| Mosher         | St. Onge      | Willis         |
| Moss           | Saylor        | Wylder         |
| Murphy, Ill.   | Schenck       | Young          |
| Murphy, N.Y.   | Schneebeli    | Younger        |
| Murray         | Schweiker     | Zablocki       |

## NOT VOTING—143

|                |               |                |
|----------------|---------------|----------------|
| Andrews, Ala.  | Fogarty       | Miller, Calif. |
| Ashmore        | Ford          | Miller, N.Y.   |
| Auchincloss    | Forrester     | Minish         |
| Avery          | Friedel       | Morrison       |
| Barrett        | Fulton, Pa.   | Multer         |
| Bass           | Gallagher     | Nix            |
| Battin         | Garmatz       | Pepper         |
| Blatnik        | Gialmo        | Perkins        |
| Bolling        | Gonzalez      | Pilcher        |
| Bonner         | Grabowski     | Pillion        |
| Bray           | Grant         | Pool           |
| Brock          | Griffiths     | Powell         |
| Bromwell       | Gubser        | Rains          |
| Brown, Calif.  | Hagen, Calif. | Reifel         |
| Broyhill, Va.  | Halleck       | Riehlman       |
| Bruce          | Hanna         | Roberts, Ala.  |
| Buckley        | Harrison      | Roberts, Tex.  |
| Burke          | Healey        | Rodino         |
| Burton, Calif. | Hébert        | Rooney, Pa.    |
| Burton, Utah   | Herlong       | Roosevelt      |
| Byrne, Pa.     | Hoffman       | Roybal         |
| Cahill         | Holland       | St Germain     |
| Cameron        | Huddleston    | Schadeberg     |
| Casey          | Hull          | Scott          |
| Celler         | Hutchinson    | Secrest        |
| Chamberlain    | Ichord        | Selden         |
| Clawson, Del.  | Jarman        | Sheppard       |
| Colmer         | Joelson       | Short          |
| Cooley         | Johnson, Wis. | Smith, Va.     |
| Corman         | Jones, Ala.   | Stinson        |
| Davis, Tenn.   | Karth         | Thomas         |
| Dawson         | Kee           | Toll           |
| Dent           | Kelly         | Tupper         |
| Derounian      | Kilburn       | Utt            |
| Diggs          | King, N.Y.    | Van Pelt       |
| Dorn           | Kluczynski    | Vinson         |
| Dulski         | Kyl           | Wallhauser     |
| Duncan         | Landrum       | Westland       |
| Dwyer          | Lankford      | Wharton        |
| Edmondson      | Lesinski      | Wickersham     |
| Edwards        | Long, La.     | Williams       |
| Elliott        | McMillan      | Wilson, Bob    |
| Everett        | Martin, Mass. | Wilson,        |
| Evins          | Martin, Nebr. | Charles H.     |
| Fallon         | Matsunaga     | Wilson, Ind.   |
| Farbstein      | May           | Winstead       |
| Findley        | Meador        | Wright         |
| Flynt          | Michel        | Wyman          |

So the motion to adjourn was rejected.

Mr. HARDY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Speaker, I think the RECORD should show it was nearly 3 hours ago that I stood up to have a 1-hour special order on the weaknesses and the deficiencies of the administration's poverty bill. For a variety of reasons, some of which I fail to understand, it has been impossible to conduct any reasonable discussion. There has been no discussion except with one member of the majority party on that bill, and we are still not being given time to finish the 4 minutes that remains in my hour.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. FRELINGHUYSEN. I am reluctant to yield to the gentleman, but I shall.

Mr. HAYS. It seems to me that the RECORD should show that those of us who have something more important to do, even though the gentleman's speech is very interesting, will not be called back here, and if we can agree we may eliminate that.

Mr. FRELINGHUYSEN. I have no desire for the pot to call the kettle black. I have stated two paragraphs since an hour and a half ago. I have not delayed the game. It is not because I have something of substance I have not already said. The fact that a point of order was made was not of my doing, and I certainly would not have done it. But it does not help anything to have a series of pointless points of order about quorums and motions to adjourn after the initial effort was made.

I see no point in arguing with the gentleman. He has himself contributed to the delay, which I regret. I regret it has been necessary to impose on the Members this time which might well have been devoted to a reasonable discussion of the merits and demerits of this particular bill.

I would like to keep my eye on the ball. If the gentleman has any comments to make about the bill, I will yield to him again. If not, I will yield to another member of the committee.

Mr. HAYS. I would like to say to the gentleman that all I am trying to do is to get an agreement so the gentleman may proceed.

Mr. FRELINGHUYSEN. I had not understood what the gentleman's position was, and I am glad to have that clarification.

Mr. HAYS. The gentleman's position was, there were a half-dozen Members on the floor, and a Member on the gentleman's side took it upon himself to make a point of no quorum.

Mr. FRELINGHUYSEN. There was a boycott by the majority members of the Committee on Education and Labor.

The initial request was made of me as to whether I would like to have a quorum present in order to get more members of that committee here to discuss this matter, or to hear our point of view on that bill. I did not urge that that be done. I do not know whether the gentleman from Ohio was here at that time or not, but I did discuss it with another gentleman from Ohio, and I did not anticipate it would be normal to have a quorum physically present.

I for one regret very much that the House should have made such a spectacle of itself during a time when we Republicans were attempting to express our honest reservations about what could be a major bill, a bill that could be damaging to the existing program, a bill that will cost a lot of money and establish a Federal agency which we do not need. All of this has been an obstacle put in the way of what was originally intended to be a 1-hour debate.

## THE "WAR ON POVERTY" LEGISLATION

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Ohio [Mr. TAFT] is recognized for 1 hour.

(Mr. TAFT asked and was given permission to revise and extend his remarks.)

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New York.

Mr. GOODELL. Mr. Speaker, I should like to take just a few minutes—I will not take the time of the Members long—to talk about what I think is one of the most serious problems in connection with this so-called poverty bill that is coming before the House.

You are all familiar with the issue of separation between church and state. The issue of separation between church and state was brought out in our hearings. At that time it was pointed out by me and others that the language of the bill was defective in its handling of this issue. As a result the Democrats on the committee, the majority, revised the legislation.

The original bill provided that under the community action program, title II, any aid to elementary and secondary schools would have to be administered by public school officials. Then we added a clause that private school students would be eligible to be benefited by these programs. This device was obviously designed to permit the aid to education which was involved in this bill to go directly to the local school system.

During the deliberation all of that language was stricken and a clause was added to the bill, "Any general aid to education."

What do we have at the moment in this bill that has been reported out of our committee, H.R. 11377? Let me say that in title II, the community action section, which is the most important section with reference to this issue, there is



no language whatsoever with reference to sectarian or religious use of the funds.

In effect, what can happen under title II? There is no language in title II or anywhere else to prevent it. So the Federal Government through the poverty czar, can make a direct grant to a private religious organization. He may do so not only for the purposes of education—and the language of the bill is “special remedial and other noncurricular education,” the language is clear for that purpose—but he also, as far as the language of this bill is concerned, may make this kind of grant for sectarian use or religious training. There is no language in this bill to prevent it.

This is a very serious breach of the wall of separation between church and state. Obviously this bill is designed by its sponsors, avowedly so, to try to help the poor, to help particularly the children of the poor. They plan to try to help them with special remedial courses, all sorts of programs of an educational nature, noncurricular by the language of the bill, but an aid to education nonetheless. They cannot point to a single provision in this bill that will prevent aid from going directly from the Federal Government to a religious organization.

I can give you a number of examples of the types of groups that could qualify. The language of the bill is clear. It can be done.

The only other place in the bill where this issue was raised was in the work-training section which is dealt with on page 10 of the bill with reference to the sectarian issue and the college student work-study provision.

What did the committee do with respect to this issue? Let me read you the language that was put in the bill with reference to the religious issue on page 10 of the bill:

The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations, as he may prescribe, that

1. Enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations.

And here is the key language:

Other than projects involving the construction, operation, or maintenance of any facility used or to be used solely for sectarian instruction or as a place for religious worship.

I emphasize to you that the only place the Director cannot make a grant is in the instance where the structure to be built or operated is to be used solely for sectarian instruction or as a place for religious worship. This means a director can make the grant directly to a church to build a Sunday school, if the Sunday school will be used part-time for remedial reading courses of some kind.

It means a direct grant can be made to the Salvation Army provided some aspect of their program is designed to fight poverty.

This is not only a breach in the wall—the proper wall of separation between

church and state—the wall has fallen down completely. There is no wall left as far as that language is concerned.

The only thing barred by that language is a grant to a church organization, if it is going to use the money solely for sectarian instruction.

I defy any member of the committee on the majority side or any other Member of the House to tell me that this is not true. This is the plain meaning of the language. The language was devised to try to shove this issue under the rug. We have dealt with this issue in this House of Representatives before. We dealt with it in the higher education bill. There is language that can be devised to meet this issue but it was not devised. The majority of the committee, meeting in private session later on and locking out the rest of the minority, decided the only way to deal with this issue was to pull all language out of the bill with reference to religion. In the key places where they left some restriction on sectarian instruction or religious worship, the work-training program and the work-study program, the language they left is meaningless—it is useless.

The other section where this is done, and I will quote for the RECORD, is to be found on pages 16 and 17 of the bill. I quote:

*Provided, however, That no such work shall involve the construction, operation, or maintenance of any facility used or to be used solely for sectarian instruction or as a place for religious worship.*

Now I say to you people, those are the only two sections in this bill that limit sectarian instruction and religious worship as far as the utilization of Federal funds is concerned. The only limitation is that if the Federal funds are going to be used solely for sectarian instruction or religious worship, the funds may not be provided.

This is not a partisan matter. I believe the entire House should be deeply concerned about the handling of this issue. Changes should be made.

I tried, in a constructive and nonpartisan way, to raise this question and to cooperate in writing the proper kind of language to cope with this issue.

We were repudiated at every turn. They would not listen. Now what they have done is to knock down the entire wall of separation between church and state.

This is a serious issue. I believe we ought to do something about it before we pass this kind of legislation.

I thank the gentleman for yielding.

Mr. TAFT. I thank the gentleman for his contribution.

Mr. Speaker, I ask unanimous consent that all Members may have 24 hours in which to revise and extend their remarks on this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TAFT. Mr. Speaker, I have taken this time today because I believe it is important that this issue be fully discussed and debated and that the American people understand what is in the

bill and have an opportunity to express to the Members of the House their opinions on the subjects which are covered in the bill before the House is called upon to vote on it.

I believe that what has happened here on the floor today and what happened previously in the committee is indicative of the fact that there must be—indeed, I can say that there is—some reluctance on the part of the party in control of the committee and in control of this House to have a full discussion of these issues, as there was when we made attempts throughout the committee sessions to point out what were the defects in the bill and how they might be corrected.

When I took this special order I believed it would be really a nice quiet little matter of putting something in the RECORD. I do not believe that any of us anticipated we would meet the reaction we have seen today. I wonder if the reaction which has occurred has perhaps come about because of a sensitivity in regard to a discussion of what is in this bill and what changes might be desirable and necessary.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman from Ohio.

Mr. HAYS. I made one point of order that a quorum was not present. I will tell the gentleman exactly what my reason was for that.

I was in my office trying to get some work done. I was told that there were five people on the floor, four Republicans and one Democrat, and that someone made the point that he thought there ought to be more present to listen to the debate, so he brought us back.

I have no objection to the gentleman talking all afternoon or all night, but if his party is going to subject us to these points of order, which are rather unusual during special orders, we just felt that a little more of what his party felt was in order might be a little better; that is all.

Mr. TAFT. I do not care to get into a further colloquy on this subject, which seems to me to have been fully discussed previously.

I should like to proceed to discuss some matters in the bill which I believe should be discussed.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New York.

Mr. GOODELL. The RECORD should be clear that there was never a point when only four or five Members were on the floor. On this side of the aisle there was a sizable number present listening, ready to discuss the bill. There were several times when there were no Members of the majority on the floor, and other times when there were one or two. I believe at most there were two.

There was a desire on the part of people on this side to have the issues heard.

Mr. TAFT. I believe the gentleman's correction is in order. There were several members of the committee and a



good many other Members present on our side.

Mr. HAYS. Mr. Speaker will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman from Ohio.

Mr. HAYS. I believe the RECORD should show that now, if I can count correctly, there are more Democrats on the floor than there are Republicans.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman from Ohio yield to me?

Mr. TAFT. I am glad to yield to the gentleman from California.

Mr. HOLIFIELD. I merely wish to say that I feel that the explanation the gentleman is putting in the RECORD is good for the House to know. I appreciate the remarks of the gentleman from New York [Mr. GOODELL], on the bill.

I know that many of us have work in our offices, and many of us resort to reading the RECORD. I believe there was some cause for resentment on the point of order which was made, which brought us back from our offices.

I certainly believe that if, in the future, we are going to have these series of orders, if there is resort to points of order by either side, the other side naturally will do something. This prolongs the getting on the RECORD of the material that it is desired to put on the RECORD.

I would like to see this put on the RECORD, and I have voted twice now against adjournment because of my feeling that the courtesy should be extended to the gentleman and his friends to put it on the RECORD, but it does not lessen my resentment at a point of order being made during a special order which is taken during the session.

Mr. TAFT. I thank the gentleman for his comments. Of course, there have been a good many other procedural tactics employed since the original point of order was made.

I would like to proceed at this time to discuss some of the provisions with regard to title II, in which I think the House should be interested. These provisions relate to the so-called community action programs. The powers granted to the poverty czar, the director of the program, are almost unlimited. I would like to read to the House starting on page 20 of the bill some of the provisions involved here. The term "community action program," which the Director may himself trigger, is defined as meaning a program which comprises and utilizes resources, public or private, of any urban or rural area, which includes but is not limited to a State, metropolitan area, county, city, multicounty or multicounty unit in what he decides is an attack on poverty. In other words, a unit of any size may be chosen by the Director. Moreover, it goes ahead and says that this may happen in any case in which the program is of sufficient scope so as in the opinion of the Director possibly to result in progress toward the elimination of poverty or its causes. There is no mechanism set up to judge the judgment of the Director in this connection.

This section also calls for a maximum "feasible" participation of residents of

the area. What the meaning of "feasible" is entirely up to the Director, and there is no definition anywhere provided. It goes on to say that these programs can take place with any unit of Government but does not limit itself to activities of units of Government at any level, whether the State level or school boards or any other instrumentality of Government. It goes on also to include private nonprofit agencies. What this language means in section 202 of the bill is that the poverty Director under any of these programs can choose almost any type of activity he cares to engage in. It could be educational training, as the gentleman from New York pointed out a moment ago, and not subject to the limitations with regard to participation by religious institutions outlined in title I of the bill, but education training by any organization that the Director himself chooses and selects. It could be an association of any sort. It could be a political party or it could be a political party or political group not recognized formally as a political party, such as the Communist Party or any other extremist group of that sort. It could be a labor union or special community action group of any sort that is set up without any checks or requirements of approval of any kind by other governmental units.

The Governor has no right to veto under these circumstances and the mayor of the town or city or its council has no right to veto or participate in the selection of this particular agency. There is some question as to whether there would be any requirement of approval of the particular type of school program by the head of the school board or even the board itself.

Also, we should point out, I think, that under this program not only public agencies but private agencies are involved. I happen to have had some experience over some years as a member of a board of trustees of a community health and welfare and planning council. Community health and welfare planning councils are set up under one name or another in almost all of the major metropolitan areas of this country and many of the other cities. They are doing a fine job of coordinating planning in the health and welfare fields of the various governmental and also private units, so as to eliminate duplication and to attempt to do just what this bill says it attempts to do by providing some center or headquarters for the direction of the attack on the very problems of poverty and of welfare and need and health that are attempted to be approached by this bill. But, does this bill turn to these councils and require any approval by them? There is not a thing in this bill which would require any such approval. In the committee I attempted to introduce such an amendment, and on the floor I hope again to propose another amendment to require approval, where there is such a council, on a program of this sort. But apparently the majority is taking the position that such approval will not be and must not be given. The power demanded by the administration in this bill for the poverty czar is almost unlimited.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman from Illinois.

Mr. SPRINGER. Mr. Speaker, we have many of these programs that come before the Committee on Interstate and Foreign Commerce. I cannot remember a single program that we have had in which we have not had State and local participation—mostly State. In all of these the State agency is adopted by either the State legislature or designated by the Governor as a local agency to administer the program and in those programs we have contributed a certain amount of money. This has made local and State participation really paramount, and due to the fact that you had this State administration and local participation we have had a tremendous amount of responsibility at the local level in the administration of the program.

This responsibility that I think has been put upon the State has made it almost mandatory that those States go in and investigate the facts—I am talking about this now from the State level—so that they are able more or less to adjust the program to the State situation as it exists rather than to have a Federal bureaucracy move into the local community and administer these so-called standards that are set up in Washington.

I think in all of these programs that we have had—for instance, the Hill-Burton Act that we passed just last week—we have done a tremendous job at the State level. This does not mean that you have to have 48 or 49 or 50 separate administrations. It means, really, one program. And although we have had these locally I cannot remember a single scandal that we have had connected with the Hill-Burton Act because it has been admirably administered at the State level.

After all of this comment of mine, the question I want to ask the gentleman is simply, what were the reasons why there was not State participation offered in this program?

Mr. TAFT. Mr. Speaker, the members of the committee on our side of the aisle offered numerous amendments to require such approval, which were proposed and considered and turned down almost, I think almost entirely, on party lines within the committee. The feeling seems to have been that yes, we want to give the Director this broad authority to go in—and although they assure us orally that he will do this, they refuse to assure us of it in writing—and consult with the local agencies to adapt the particular program to their situation. I think the gentleman's point is well made, because particular problems of the particular community must be considered by the local people best able to make a judgment as to what programs are necessary to attack the problem of poverty in a particular area.

To leave out of the picture the people who are locally concerned is going to result, I am sure from my past experience, in innumerable applications being made, none of which will be screened at the local level. They will be made by agencies, many of which may be jealous of



their jurisdiction in various fields of social welfare. Those who have dealt with this problem know that this can and will result in this field, as it may in any other.

Mr. SPRINGER. Mr. Speaker, if the gentleman will yield further, it seems to me, I can think of people in my own area who would like to apply for Federal programs who in my opinion are not particularly qualified to handle that kind of program. It seems to me that the State agency does a good job in sifting these through to determine who is qualified at the local level to make an application and to receive that application. I can think of all kinds of consternation that will be caused because of someone in almost every conceivable case having to run to Washington to try to solve this problem. You are going to have a lot of overlapping.

This is one of the things we have gotten away from by establishing a State agency which accepts this responsibility, and which in turn works it out with the local agency to go ahead.

Mr. Speaker, there is one further question which I would like to ask the gentleman from Ohio, because I have picked this up in discussing this matter with others. Has there been any research done by either any Government agency or any other agency to find out how many other Federal programs there are that might possibly overlap with this kind of proposed program?

Mr. TAFT. To answer the gentleman's question, there has been sufficient research done by the minority counsel of the committee, but I am not in a position to answer the gentleman's question categorically. However, I can tell the gentleman that there are eight different Government departments involved, and in the 1965 fiscal budget submitted by the administration the total expenditure called for for those programs which are poverty-directed and poverty-oriented and which would not, incidentally, be under the poverty czar unless he used his broad prerogative powers decided perhaps to take them over, would come to a total bill of \$8.7 billion.

Mr. SPRINGER. If the gentleman will yield further, these are areas already in which approximately \$8 billion is being devoted at the present time?

Mr. TAFT. The gentleman is correct.

Mr. SPRINGER. Can the gentleman give me any idea as to how many programs are involved? I have heard from some sources that there are as many as and from other sources that there are as many as 40.

Mr. TAFT. I think we are talking about in the neighborhood of between 30 and 40 programs.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. In clarification of the point brought up by the gentleman from Illinois I should like to point out that the minority views which will be available within the next day or two will contain a detailed analysis of the scope of the Federal programs, the amount of money which is being ex-

pended by the various Federal agencies. My recollection is that there are eight or nine major Federal agencies involved in this program, a major one being the Department of Health, Education, and Welfare.

Secretary Celebrezze, to the best of my recollection, testified that his Department was totally responsible for 14 programs directly aimed at poverty. Of course, in effect, all of the programs under his Department are indirectly concerned with this program. So it is a very multifarious program.

Mr. Speaker, I wish we could get some of the proponents of this legislation to talk on it. I think, also, we should point out with respect to this problem of getting the communities to participate, one of the reasons why some of us were wary about the lack of any kind of role for State or local governments was because traditionally the Federal Government has adopted some kind of incentive approach. In order to qualify for Federal aid there must be matching funds on the part of the community or State, there must be the submission of a State plan, and in one way or the other there must be some kind of assistance from State or local communities in order to qualify.

We were disturbed that this should be absent, in effect, from this bill.

Mr. TAFT. Under section 204 of the bill it is provided that all financial support for a community-action program may come from the Federal program.

Mr. FRELINGHUYSEN. If the gentleman will yield further, this again will lead to the diminution of the feeling of responsibility toward the necessity for the program, the advisability of it, how it is going to be administered, and generally the local responsibilities that would normally occur if there were some financial responsibility involved.

Mr. Speaker, I believe we do have a very real problem in this regard.

When an alternative suggestion was made that at least we might have some necessity for a State program and let each State decide how the poverty money within its borders would be spent, that was ridiculed as establishing 50 poverty czars instead of 1.

Mr. Speaker, I would hope that the majority side would provide ways in which to meet the problem of determining how this money is to be spent in an easier fashion and not more complicated. If it is hard for them to decide, how is it any easier for a single relatively small Federal agency to do this without assistance from the State?

I ask that question because I am honestly in doubt as to how it is going to be done. I do not believe that the testimony of anyone appearing before our committee clarified that point at all.

Mr. TAFT. I share the doubt of the gentleman from New Jersey, and I am unable to answer his question. I hope that perhaps we may have the answer to his question before this legislation is acted upon.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New York.

Mr. GOODELL. One of the problems

on which I am sure the gentleman would agree in considering this legislation is that they have given us a package that they call war on poverty. Apparently we are not supposed to examine its contents.

Anything that is put in it is automatically good because it is put within a package called the war on poverty. I think this is a very dangerous thing from the viewpoint of the House. We must examine all of these programs and compare them to existing programs.

The gentleman from New Jersey referred to testimony of the Secretary of Health, Education, and Welfare, Mr. Celebrezze, who in his statement indicated there were 42 existing programs aimed at poverty. These are already existing Federal programs. Fourteen of these are under his jurisdiction in HEW. I requested, and others requested, that he submit a list of those 42 existing programs directed at poverty. He submitted that list for the record. The Bureau of the Budget advised me that in the fiscal year 1964 for those 42 programs named by Secretary Celebrezze the Federal Government is expending \$32 billion in the fiscal year 1964; for the 42 programs that Secretary Celebrezze named in his testimony were directed toward the fight on poverty.

Mr. TAFT. I thank the gentleman for his contribution.

Mr. MORTON. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Maryland.

Mr. MORTON. As I have listened to the gentleman's outline of title II in this bill, the question comes to my mind: Does the Director of this program have authority to work with school boards and other local agencies to the extent that racial balance could be changed in our schools?

Mr. TAFT. As I understand it, there is nothing in title II that would prevent the Director from proceeding with a program in the field of education, should he desire to do so, if it is decided by him that the establishment of a racial balance in schools would result in progress toward the elimination of poverty and because of poverty. I might mention to the gentleman that the original Supreme Court decision in the Brown case was largely based upon such a premise. Under these circumstances, it seems to me clear that the Director could go ahead and implement with Federal funds a program of the sort the gentleman referred to.

Mr. MORTON. Does this mean that the local school board and the local authority in the community would have no power of veto on such programs?

Mr. TAFT. As the bill presently stands, it would be my understanding that the Director of the program could make his agreement with any group he wished to make an agreement with. He could come into a particular area with an agreement with a particular agency involved. For instance, if he was to go to a local school board, he would not have to go to the board of regents of the State involved; he could go through a local school board, or perhaps even the prin-



cial of the local school. Those questions are not answered.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Again I think the gentleman has answered the question correctly. The bill is sufficiently vague so that almost anything could be financed through title II of the bill.

I referred in my discussion some time ago to a statement made by James B. Donovan, head of the New York City Board of Education. According to the newspaper account from the New York Daily News of Thursday, May 14, there is the following:

Donovan said he already had met with Sar-gent Shriver.

The newspaper article goes on to say:

Donovan said it was proper for the Federal Government to contribute substantially to the New York City schools. He said the city should no more be expected to carry the burden than Miami should have been expected to pay the cost of 200,000 Cuban refugees who had settled there.

He points out that the city should expend \$200 million more toward the integrating of these schools in the New York City school system, and in his opinion the Federal Government should bear a large proportion of this additional expense.

Here we have already in motion applications or informal feelings out on the part of those who would like to get this kind of assistance and this kind of service. There is nothing to prevent this from being accepted.

Mr. TAFT. I thank the gentleman.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Illinois.

Mr. COLLIER. In the light of the discussion here today I should like to cite a situation I know would exist in many areas of the country, and then pose a question as to how the administration of this program would apply.

In a given community where there is a township-established general assistance department with the responsibility to deal with poverty per se, and the requirements are established by law, State and local law, and if in the same community there is also a private agency organized by a group of private citizens operating on voluntary and solicited contributions, does this program provide that the administrator of the program may deal with this private group without even consulting the local authorities who have the legal responsibility of dealing with these problems?

Mr. TAFT. If he desires to do so he certainly may. The answer would be "Yes" to the gentleman's question.

Mr. COLLIER. Certainly there might be differences, as there frequently are, in the modus operandi of the two groups. They may pay no attention to local laws or local ordinances and merely go to their private group and use Federal funds at the behest of the private organization.

Mr. TAFT. As long as the organization was a nonprofit organization, the gentleman's assumption is correct.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Illinois.

Mr. PUCINSKI. May I elaborate for a moment on the question which my colleague from Illinois has raised. I do not think the answer was quite complete, and I apologize to my colleague for adding to it. The gentleman from Ohio knows that the bill clearly provides the definition of a community action program, and it clearly establishes the intent of the Congress that all agencies shall be brought into the community action program, public and private. So it is in my judgment incorrect to say a public agency might be bypassed. Conceivably the director would deal with the private agency only where there was no public agency available to do a given job. At least this is the intention of the committee, it is the intention of the authors of the bill, and I think the committee report will clearly establish this principle.

Mr. TAFT. Commenting on the gentleman's statement, may I read to him the provision of section 202(a)(4), which states that a community action program is a program "which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof." I think this perfectly clearly bears out in exact language the point I have just made.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Illinois.

Mr. COLLIER. In further inquiry directed to my friend from Illinois, may I ask this: Does the language of the bill foreclose the administrator from dealing with a private agency if in fact the public agency does not desire to engage in this so-called community action program but chooses to pursue its own operations in accordance with the established law in that township?

Mr. PUCINSKI. The answer is "No," it does not preclude him from entering into an agreement with a private agency, although if the gentleman reads the law and the definition of a community action program, it would be inconceivable to me unless there were a tremendously compelling reason for such action.

Mr. COLLIER. Is there any reason, then, why there should not be written into the letter of the law a requirement that such community action program be operated in such manner that the established legal agency in that area would necessarily have to participate and provide some reasonable guidelines for that expenditure of Federal funds to this program?

Mr. TAFT. I would be glad to yield to the gentleman from Illinois to reply, if he cares to.

Mr. PUCINSKI. Certainly I would state here that, as far as I know, the bill is going to come to the floor under an open rule, and if the gentleman feels this particular suggestion bears merit and will strengthen the bill, I think we on this side will be more than willing to consider any suggestion.

Mr. COLLIER. The same willingness that existed in the committee?

Mr. PUCINSKI. There has been a great deal of talk here about this committee action.

We on the majority side met for several days in long sessions in caucus to study this very lengthy and complicated bill. As far as I know the Republicans met in caucus on their side. When we had resolved our differences within our own sides—and on our side there were many questions—and as I said here before on the floor, I had some reservations about some of the sections of this bill—these reservations were thoroughly discussed among ourselves. When we reached a reasonable agreement, we then met as a committee of the whole. My good colleague, the gentleman from Illinois, should know this, that once we met as a committee of the whole, no member of the minority was foreclosed from offering any amendments or discussing any aspects of the bill. As a matter of fact, I might go a step further and say that during the public hearings on this legislation, at the request of the ranking minority member, the gentleman from New Jersey [Mr. FRELINGHUYSEN], 3 days were devoted to witnesses whose names were submitted by the minority, and I might add and tell the gentleman for his edification, during those 3 days there were just a handful and at times there were no minority members of the committee to hear their own witnesses who were adverse witnesses to the bill.

Now in reply to the gentleman, I will say there was ample opportunity in committee when it met as a full committee to offer amendments and vote on amendments. This committee accepted, and I do not recall at this moment how many amendments were accepted during the deliberations of the full committee, but there were any number of Republican amendments that were accepted by the full committee, some on a rollcall vote and some on a voice vote.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. First of all, Mr. Speaker, I think it is absurd to claim that the fact that Republicans were given 3 days to produce what the gentleman from Illinois describes as "our own witnesses" was an adequate opportunity for us to present the weaknesses in the bill. We were given this opportunity a few days before the days to hear these witnesses became available which meant that we had to try to get hold of Governors of States and say, "Can you come in 3 or 4 days time to testify?"—on a bill that they had not had any warning that they might be given a chance to testify on. The 3 days came after 6 weeks during which we heard a series of witnesses called by the administration who, in effect, said that poverty was a bad thing—as if anyone was arguing about that. So we certainly did not have any opportunity to present the case at that time.

I might say also, the very many constructive and major amendments that were offered by Republicans in committee were all rejected. The gentleman from Illinois may recall one or two that



were adopted, but I would like to suggest that none of them were of any significance. Certainly, none of them were of the significance such as the gentleman from Illinois [Mr. COLLIER] has suggested that were accepted by the majority—even though amendments along those lines were proposed. So the fact that we are going to have further opportunity because this bill will come up under an open rule is not of much satisfaction so far as I am concerned.

I would like to point out one other thing, if I may, Mr. Speaker. The gentleman from Ohio has mentioned section 202 (a) (4) which describes a community action program as a program which is conducted, administered, or coordinated by a public or private non-profit agency, or a combination thereof.

I should like to call attention to the fact that significant language was dropped from this particular definition. It makes it quite easy for a very partial segment of the community to receive significant Federal financing for a program. The language that was dropped, and I quote:

The agency, public or private, must be broadly representative of the community.

The dropping of that language makes it possible for the Federal Government to come into a community and give money as a result admittedly of an application for this money to any private or public agency whether or not it is broadly representative of the community. In other words, the administration at the outset appeared to recognize the necessity for what the gentleman from Ohio has been pointing out, of a representative community application or agency to make an application. Yet that restriction, that qualification, that description, has been dropped from the bill. I consider this a very major change, and a severe handicap if we are to avoid the kind of chaos which the gentleman from Ohio has been pointing out, which may result in communities which have good and well coordinated programs, or which might have with a little Federal encouragement.

Mr. TAFT. The gentleman's point is well taken. The language dealing with the broadly representative community organization refers exactly to the type of organization to which I referred earlier, the community health and welfare planning councils of one sort or another, which combine the efforts of local and private agencies, and State agencies in some cases, to provide a community-wide attack on this kind of problem without interference and without dictation and without the kind of activities which I fear we may see occur if the programs are turned over to a bureaucratic base, such as this seems to be, as presently drafted in the bill.

Mr. SECREST. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman from Ohio.

Mr. SECREST. For the past 2 hours I have been downtown presiding as chairman of the projects committee for the National Rivers and Harbors Congress. As a result, I have missed five quorum

calls, but I wish to report that all three of the projects reported to the projects committee, for Ohio, have been given the highest classification which the committee can give, No. 1, so Ohio has done well this afternoon downtown.

Mr. TAFT. I thank the gentleman for his comments. If I happen to be campaigning in his district I shall be glad to so testify.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman from Minnesota.

Mr. QUIE. I should like to bring to the attention of the House title III, since we have covered extensively title I and title II.

Title III, to me, is the most objectionable title of the whole bill. This is the one for special programs to combat poverty in the rural areas. I believe this title goes about it in the wrong way, and is very similar to what was attempted in the late 1930's and early 1940's under the Farm Security Administration.

The bill provides that grants up to \$1,500 may be made to low-income farmers.

The Farmers Home Administration now is in the business of helping low-income farmers, farmers who do not have a sufficient credit rating, to secure credit from private sources. This, in a way, could be a duplication, yet it jumps over a number of needy farmers.

There is a greater demand for loans under the Farmers Home Administration today than there is money available. There are men who could qualify if the money were available. However, they would not be benefited, as the testimony indicates, by the \$1,500 grant.

This will be a jumping over to other people who are more unsuccessful, as was indicated at one point in the hearings, than a person who can secure a loan today from the Farmers Home Administration, who is not unsuccessful enough.

The farmers who receive loans under the FHA do receive supervision. We can imagine, when grants and loans will be given to individuals who presently cannot qualify for an FHA loan, what will happen. They do not have management ability. They do not have sufficient know-how and experience. Even more supervision would be given to them.

As Mr. Berstch of the Farmers Home Administration indicated in his testimony before the Committee on Agriculture, capital grants of up to \$1,500 would be made to farm families to finance fundamental improvements in farms and farm operations. The grants would be used for the purchase of livestock, feed, seed, fertilizer, farm equipment, and simple machinery, or additional farmland; for payment of day-to-day operating expenses, and, where practicable, for purchase of capital items needed in a non-agricultural enterprise.

The grant, carefully supervised by the Farmers Home Administration local supervisor, would be made individually or in connection with a loan. Loans of up to \$2,500 would be made available for nonagricultural enterprises to supplement meager earnings from farming.

This kind of supervision was given to

the farmers back in the old Farm Security Administration days. In 1944 the Select Committee of the Committee on Agriculture of the House, under the chairmanship of the same gentleman who is the present chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], made a study.

They came up with some reports of the operation of a very similar organization, the Farm Security Administration. In the report we find on page 6 it states as follows:

#### FAMILIES COLONIZED AND REGIMENTED

Families have been colonized, regimented, and supervised to an extent which cannot possibly be justified. It has been insisted arbitrarily that they keep records which many of them have found impossible to keep and maintain. They have been told what crops to plant and how they must be cultivated. They have been told from whom they must purchase and to whom they must sell. Their bank accounts have been completely controlled and kept under joint ownership by the Government, and they have not even been permitted to select their own work stock and other equipment. Supervisors of the Farm Security Administration have insisted upon discussing with members of the family the most intimate relationships. Especially on resettlement and rural-rehabilitation projects, members of the family have been subjected to physical examinations which should not be required. The heads of the families have been given gratuitous advice as to the number of children they should have. On many of the projects, tenants, or clients, as they have been called by officials of the Farm Security Administration, have not been advised fully as to the rights and privileges which they should be free to exercise under contracts and agreements which they have made with the Government. They have been required to pay money without being informed of the purposes for which it was being paid. Their contracts and agreements have been frequently changed in accordance with the ever-changing wishes and desires of the officials in charge of the affairs of the agency. These factors have caused great uncertainty and confusion in the minds of these unfortunate farm families.

The kind and extent of supervision given, as indicated above, was another instance of the Administrators of Resettlement Administration and Farm Security Administration going to extremes. The Federal agency making loans to low-income farmers should be authorized, where necessary, to give sensible supervision to the farmers and their families. But this supervision, if that is the proper designation of the services in question, does not necessarily have to be furnished to every borrower, and the nature of it should be limited by the needs of the particular farmer. It should never be carried to the extreme of dictating the plans for the entire social, community, and family life of the borrower. It should be limited to reasonable and practical suggestions and advice in farm and home planning and management. Obviously, supervision of the character discussed in this paragraph is vastly different from requiring the borrower arbitrarily to keep voluminous records, demanding that he buy from or sell to certain designated persons, and keeping all of the income from the farming operations under strict supervision and control of a Government official. Moreover, in all the transactions between borrowers and the agents of the Government furnishing the service, the borrowers should be dealt with fairly, should be fully informed of their rights and privileges, and their ideas and preferences



for doing things should be given full weight by the Government agents.

Pursuant to the Executive orders hereinbefore referred to, the Administrators of the Resettlement Administration and the Farm Security Administration, having colonized and regimented destitute farm families as above stated, exercised the authority conferred upon them with great liberality as well as with extreme prodigality.

They established, maintained, and operated communities and villages in rural and suburban areas, built and maintained streets, roads, and highways; shops, stores, and warehouses, hotels and inns, recreational halls and community houses and playgrounds, and other places of amusement. They built power plants and water systems. They built hospitals and rest homes, sewage-disposal plants and irrigation systems, creameries and canneries, packing plants, and factories for the manufacturing of numerous articles, including pants for men and full-fashioned hosiery for women. They built and financed dairies and grain elevators, cotton gins, potato houses, and other storage facilities. They provided modernly equipped homes, with all conveniences and facilities. They made loans and grants of Federal funds according to their own wishes and desires and for just about everything from marriage licenses to burial expenses. They provided funds for the payment of lodge dues and poll taxes, for work stock, tractors and plows, and for farm implements of every kind and description. They furnished money with which to buy cows and sows, and bulls and boars, and with which to pay for family subsistence and for feed, seed, and fertilizer, and for the harvesting and marketing of crops. They provided funds for the purchase of stock in corporations and for the payment of dues in cooperatives.

Rural slum clearance is, of course, "a consummation devoutly to be wished," but in the prosecution of an undertaking of such great magnitude, proper consideration should be given to the human elements involved. We cannot lose sight of the fact that Americans of today were born in a land of freedom and though they may be poor, they are still devoted to the communities of their nativity and to the township or county in which their fathers and mothers have resided and in which they were born. The efforts of the Farm Security Administration to colonize unfortunate American families, most of whom were poor, but all of whom had a pride of ancestry and a love of their native communities, encountered many unsurmountable obstacles and in most instances, in its efforts to colonize such families, the agency met with dismal failure.

Americans still love the friends, the schools, the churches, and the other institutions which they knew and cherished in their childhood. In its efforts to transplant American families in places located at remote distances from the scenes of their early life, the Farm Security Administration apparently attached slight importance to the natural instincts of the individuals it sought to aid and assist. The families were inspired by the hope that they would soon be on the road to home ownership and financial security. They were reminded of their low standard of living and of the hardships which they were constantly encountering. They were tortured by stories of intolerant and mercenary landlords, who were exploiting them and depriving them of the better things of life. They were intrigued by stories of electric lights and bathtubs, refrigeration, pressure cookers, modern equipment and the arts of good farming on fertile soil, and they were assured of a better environment and the comforts of a better home.

With great confidence and mental comfort and satisfaction, and relying upon the faith they had in their government, they moved to government projects in search of "the

promised land," in many instances only to find desolation and disappointment which they had not theretofore known. After moving on the Government projects, many of these families waited for long months for their homes to be built and for water with which to irrigate the parched lands upon which they were supposed to earn a livelihood. They waited in vain, while inexperienced engineers tried to build irrigation systems which, even now, are not functioning properly. Many families were induced and persuaded to move upon lands which the officials of the Farm Security Administration knew, or in the exercise of ordinary good judgment should have known, could not possibly be profitably cultivated. On many of these projects, there was not even a house that was fit for human habitation, and many of the families were forced by the necessities of their situation to live in hog houses while waiting for the Farm Security Administration to provide better dwelling places. With lands unfit for farming and houses unfit for human habitation, these families waited and continued to wait in vain for water and for homes. During all of this time, the Farm Security Administration provided the families with loans, which both the borrowers and the lender knew could not be paid at maturity.

As a consequence of this short-sightedness and utter lack of good business judgment, the officials of the Farm Security Administration have been responsible for many worthy farm families being hopelessly burdened with debts which they cannot now possibly pay, debts which never should have been incurred, but which now should be adjusted, so that these worthy and unfortunate families might be relieved of financial burdens which they should no longer bear and which they may never hope to repay. Families living on resettlement farm units have had no way of knowing when or whether they would be eligible for home ownership, and consequently they have gone on from year to year hoping that they would be given a deed to the tract or parcel of land in their possession, and be permitted to execute notes for deferred payments, to be secured by a deed of trust or mortgage. In the opinion of the committee, many of these families have even in great adversity demonstrated their competency, are worthy of home ownership and, upon a proper adjustment of their financial obligations, would be eligible for deeds to the property they are now occupying.

On the other hand, many of the families now occupying units on resettlement projects are not now and probably never will be eligible for home ownership, because of physical incapacity or mental incompetency to engage profitably in farming. Many of them were physically and mentally handicapped at the time they moved on resettlement projects and from the very start had little or no chance to succeed as farmers. Instead of aiding such families in finding more remunerative employment, the Farm Security Administration has continued to make loans upon loans knowing that in all likelihood such loans would never be repaid. By keeping such families on resettlement projects, the agency has prevented the occupancy of such units by persons who might have succeeded as farmers and might have attained economic and social stability within a reasonable time if they could have received the funds which Farm Security Administration continued to give to those whom it apparently considered as permanent beneficiaries of the funds appropriated for loans and grants.

There is another part that I think we ought to point out which is really, I think, a subterfuge in the legislation. It provides loans for cooperatives and officials of rural cooperatives to secure loans from bank cooperatives. However,

there is a subsection (c) of section 302 (a)(1) which indicates that \$1,500 grants can be made to the farmer in order that he might participate in a cooperative association. This is a means whereby grants will be made to the cooperative association. Now, in the past, the Federal Government has been of assistance to cooperatives, feeling it is a good means by which farmers can market their products or buy supplies. We feel this is a very good method that the farmers can use. However, in the past assistance has been given to them only in the form of loans and not grants. This is, I think, hidden in such a way that it would not receive the objection that it would if it were shown clearly that it was grants to cooperative organizations. I do not know what is in mind in the section dealing with migratory labor. The report I refer to of the select committee in 1944 also has a section on labor camps, which I ask unanimous consent to place in the RECORD at this point so that we can see the results of the study of the select committee.

Mr. Speaker, I ask unanimous consent that this may be placed in the RECORD at this point.

The SPEAKER pro tempore (Mr. ALBERT). Without objection, it is so ordered.

There was no objection.

#### LABOR CAMPS

The committee visited several labor camps and discussed the operations of such camps with agents of the Farm Security Administration and with occupants of the camps.

In some of the camps migratory laborers are housed in very comfortable homes and have the benefit of all modern conveniences and facilities, including hospitalization and medical and dental care, all of which are furnished at a very nominal cost. Many such laborers who are thus housed and provided for at the expense of the Government are earning high wages and should no longer be cared for and maintained at the expense of the Government. In other labor camps the houses, shelters, or tents provided are neither fit nor suitable for human habitation and constitute a menace to the health and social welfare of the families residing therein. Entire families occupy one room, shelter, or tent which is used as a combination kitchen, dining room, and living quarters. The space provided does not permit desired privacy and must, of necessity, result in many embarrassing situations. Some of the shelters or camp houses are built of wood, others entirely of galvanized tin, and others of cloth or canvas.

In some of the labor camps the occupants are not even required to clean the premises immediately adjacent to the structures which they occupy as homes. When it is necessary to clean the premises upon which such labor camps are located, laborers other than those occupying the property are employed for that purpose. If services of any kind are rendered by the occupants or laborers living upon such premises, such laborers are paid prevailing wages in the community in which the camp is located.

In addition to caring for migratory farm laborers in the several States and localities, laborers and their families are transported great distances at Government expense. For instance, laborers and their families were transported from the State of Mississippi to the city of Portland, Oreg., and the Farm Security Administration provided all traveling expenses to and from the city of Portland, and in addition thereto provided such



medical care and attention as might be necessary. Other laborers were transported to the city of Portland from a distance as far as 800 miles south of Mexico City, all of which was at the expense of the Government. If, after reaching their destination laborers become dissatisfied or are unwilling to work and to carry out their part of the contract, the Government defrays the expenses and immediately arranges for their return home.

The committee does not believe that in normal times the migration of labor should be either encouraged or sponsored by the Federal Government, nor does it believe that the Government should defray the expenses incident to the maintenance of such camps or shelters, or traveling expenses to and from the same.

All labor camps which were formerly administered by the Farm Security Administration have been transferred to the Office of Labor under the War Food Administrator. The committee recommends in the basic legislation, which is submitted as a part of this report, that all such labor camps as are now being administered by the Office of War Food Administrator shall, upon the termination of the present emergency, be transferred to the Farmers Home Corporation for the purpose of liquidation, as provided in H.R. 4384.

**Mr. QUIE.** The conclusions of this committee, I think, also should be brought to the attention of the House. On page 23, is the summary of conclusions of the select committee.

#### SUMMARY OF CONCLUSIONS OF THE SELECT COMMITTEE

As a result of those factors previously discussed in this report, the committee is of the opinion that, up to the time of the recent changes in those in authority over Farm Security Administration, that agency has not been wisely administered and has been used as an experiment station of un-American ideas and economic and social theories of little or questionable value.

The committee sees no need for the present duplication of Federal agencies furnishing analogous types of services to low-income farmers. Such duplication undoubtedly causes loss of Government manpower, increases Government expenses, and creates confusion in the minds of farmers who must necessarily utilize that type of credit. The committee, therefore, feels that the Farm Security Administration, the regional agricultural credit corporations and the emergency crop and feed loan offices should be discontinued and that the Farmers' Home Corporation, which Congress established in 1937, to render assistance to low-income farmers, should be utilized as Congress intended, with such additional limitations and restrictions as appear advisable in the light of the experience gained in extending Federal credit to low-income farmers since 1937.

The committee believes that the tenant purchase program should be expanded. It believes that the credit agency should be in position to give the worthy low-income farmers who qualify for loans from it, practical guidance in farming and farm home plans and operations of the same type and character now being rendered by the Extension Service. The committee believes that such Federal credit agency should not be permitted to finance farmers who are able to obtain the credit they need from commercial banks, cooperative and private lending agencies, and other responsible private lenders, at reasonable rates and upon reasonable terms.

The committee has found it imperative to provide a clear and definite authority for liquidation of the resettlement and rural rehabilitation projects of Farm Security Administration. The existing authority, be-

ing derived from brief language in current appropriation acts and the statutes relating to sales of surplus property of the United States, is not adaptable to expeditious accomplishment of the liquidation of such projects in a manner most advantageous to the United States and the farmers who may wish to purchase portions of the land.

The committee stresses the importance of having the powers of the Federal lending agency clearly outlined. There should be no latitude for experiments, favoritism, and reckless handling of Federal funds with respect to Federal programs such as those indulged in by former Administrators of the Resettlement Administration and the Farm Security Administration.

In reaching its conclusions, the committee has held to the basic purposes which motivated it during the course of the entire investigation of Farm Security Administration; namely, to make it certain that the credit agency finally utilized to render the services in question should be held to traditional American policies and methods and that credit services to low-income farmers and the provisions for farm ownership should be simplified and improved without sacrificing the essential functions of any existing Federal credit program.

I think we ought to consider seriously what was tried in the 1930's. This is not a new program. It was found wanting at that time. The sections which were questionable were repealed and the result was the Farmers Home Administration which now operates quite adequately if sufficient funds are made available to it and in a form that can be understood by the farmers. It helps the low-income farmers achieve a more viable unit. But this bill would be a change from an effort to make farmers able to live on a commercial basis, able to sell enough products adequately to take care of themselves and their family. This would just permit them to live on a subsistence level, because there is some hope somewhere that if farmers can live on a subsistence level they will not move to the cities.

**Mr. Speaker,** I think we ought to look at this very seriously, and when we do, I doubt very much that title III will be accepted in this package.

In conclusion, **Mr. Speaker,** I would like to share with my colleagues the following excerpt of a newspaper article by Jenkin Lloyd Jones, which has appeared in many newspapers, among them the Minneapolis Tribune. This is the excerpt:

If you like shotguns filled with fine bird-shot you might enjoy section 602 (k) and (l) as follows:

The Director is authorized to, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guarantees made by him pursuant to titles III (programs to combat poverty in rural areas) and IV (employment in investment incentives) of this act.

To collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such obligations may be referred to the Attorney General for suit or collection.

If this is the English language these passages exempt the Director from all

existing laws governing the handling of U.S. property plus granting him the privilege of "compromising," that is, forgiving part or all of loans advanced in good faith by the U.S. Government until such time as these loans "may be" not "must be" referred to the Attorney General for collection. What is this but *carte blanche* for a new Federal giveaway?

**Mr. TAFT.** **Mr. Speaker,** I thank the gentleman for his remarks. **Mr. Speaker,** as time is drawing to a close on this special order I would like to say that we have made a beginning in discussing in some detail the provisions in this bill that we think are important to bring to the attention of the people of this country and of the Members of this Congress.

I would say further, however, that the provisions of title IV relating to employment and investment incentives have many of the same types of broad powers and also duplicates of presently existing programs. We have such programs as the Small Business Administration, the Area Redevelopment Administration and other Federal programs of that type.

Under title V, "Work experience programs," that, again, injects the Federal Government directly into the whole matter of public assistance and poor relief programs, which by and large have been run up to now on a local and State level. This puts it on the Federal level and brings the Federal Government directly into the whole area of welfare administration.

**Mr. Speaker,** these are a few comments that I think are appropriate to bring to the attention of the Congress. There are one or two other items that I am certain will come up by way of discussion and amendment on the floor of the House. In the committee I, myself, offered an amendment to substitute for the Volunteers in Service to America provision the Domestic Peace Corps proposal because I believe the latter covers in some 20 pages of a detailed bill which has been heard in full relating to a Domestic Peace Corps provision and should be substituted, with proper limitations in areas of Federal activity, in lieu of the less than two pages which have been used for the Volunteers in Service to America.

The Domestic Peace Corps program, by the admission of **Mr. Shriver** before the committee, and I believe also by the admission of the Attorney General, has now been put on the shelf in preference to this capsule version, without any real definition of the purpose, enabling the assignment by the Director of the Volunteers in Service to America to any one of the other programs and particularly to community action programs in title II of the bill.

I think this is another illustration of the blanket and unlimited delegation of authority given under the guise of a so-called war-on-poverty program.

I think we have pointed out here today the very real limitations that this bill has in the sense of being a direct attack. It is nothing more than a package of outworn proposals many of which have



been considered before and which will not be integrated into presently existing poverty-related programs.

The sum total of the authorizations asked for would only be something like an additional 11 or 12 percent, by the most optimistic estimate, of the present funds being directed to the areas of the programs other than the new ones set up under this proposed bill.

I believe this proposal is one that has had poor consideration before the committee. I believe it is one that unfortunately has political inspiration and political aspects which outweigh any service aspects to which it should be directed in an effort to solve these problems.

#### LEGISLATION TO REVISE IMMIGRATION AND NATURALIZATION LAWS

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 15 minutes.

Mr. CONTE. Mr. Speaker, it is a pleasure for me to join a number of my distinguished colleagues who, under the leadership of my good friend and outstanding public servant from New York [Mr. LINDSAY] have introduced legislation to revise our immigration and naturalization laws.

Ever since coming to Congress, I have sought to sponsor and fight for legislation which would revamp existing statutes in the most sensible way.

Never before, however, have I been more pleased with legislation than I am with the present comprehensive bill, which will overhaul the quota system, abolish the national origins basis, and set in motion a number of reforms that are worthy of this great Nation. As the son of parents born on a foreign soil, I feel that the implicit improvements contained in this legislation will right the number of inequities that have plagued our Nation.

I have called attention to these inequities on occasions too numerous in the past to mention. Needless to say, this legislation should be considered a "high priority" matter, and one that should be examined in depth during this session of Congress.

It seems to me to be the best bill ever introduced on the subject of revamping the McCarran-Walter Act.

Let us look at certain basic facts regarding our present policies. The most obvious one is that as long as the quota system is based on national origins, it is bound to have disastrous consequences.

Because it is based on national origins, the resultant discrimination against southern and eastern Europeans is most discouraging.

In this bill I am introducing today, the United States would establish an annual total quota according to the 1960 census. This would result in an annual quota of 300,000.

While this will be interpreted by enemies of this legislation as an opening of the floodgates, it will—in actuality—in-

crease the number of immigrants to this country by about 50,000. This is due to the fact that the present allotment of 154,000 is exceeded by an additional 100,000 through special legislation.

The changes enumerated on the floor by my colleagues on Monday will, I am certain, reduce the number of hardships created by the program through a distribution system among the several quota areas in proportion to the actual immigration into the United States chargeable to each area between July 1, 1920, and the date of this act's enactment. While there are many features that could be stressed on the quota system outlined in the legislation, I would also like to stress two other major features of the bill, namely, the preference for parents of U.S. citizens and the provision for the relief of world refugee and Communist escapee problems.

This bill would include in the non-quota category parents of U.S. citizens, the same nonquota system that is now accorded to a child and spouse of a citizen. We need not stress here the importance of the family unit for it seems obvious that parents of citizens should be included in the high priority list.

And finally, I would like to make certain comments regarding the refugee provisions of this legislation. The bill defines "refugee" as an alien who—because of persecution or fear of persecution on account of race, religion, or political opinion—has fled from any Communist territory or from a country of the Middle East. The definition also includes persons who are victims of war, political upheaval and natural calamity and who are unable to return to their former homes.

The bill would empower the President to parole into the United States 10,000 refugees during serious emergency situations such as the 1956 Hungarian revolt. They would then become eligible to apply for permanent residence after a period of time. Apart from these emergency situations, 20,000 special refugee visas would be authorized over a 2-year period in order to relieve pressure on various refugee concentration areas.

And there are many other features of the legislation that I would like to stress. However, in the interests of preserving space, I call attention to the remarks of the gentleman from New York [Mr. LINDSAY] on the section by section analysis of the bill in the Record of Monday, June 1.

Suffice it to say at this point, the legislation is vitally needed and a matter of utmost urgency. We have tolerated a system that has not met the serious problems in a manner befitting the lofty goals of this Nation, a nation, I might add, of immigrants.

Both party platforms in 1960 called for liberalization of our immigration laws. I had the great privilege of authoring this platform plank in 1960. We have the opportunity at this time to demonstrate our responsibility by adopting this legislation. The archaic stipulations contained in the present act have longed damaged the reputation of this Nation.

Let us begin to create the necessary machinery. I urge an immediate response to this legislation.

#### IMPORTANCE OF KEEPING MEMBERS OF CONGRESS INFORMED OF EXECUTIVE DEPARTMENT ACTIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, a recent incident affecting Luzerne County in Pennsylvania, which I have long represented in the Congress, is indicative of a problem of serious proportions with implications far beyond this county, indeed beyond the congressional district of any Member or single State represented by Members of the other House.

On November 22, 1962, the Housing and Home Finance Agency issued an announcement that the Urban Renewal Administration had approved a grant of \$75,000 to Luzerne County under the urban planning assistance program to help finance comprehensive urban planning. As the representative of the 11th District of Pennsylvania, I was informed of this grant in advance of its being known generally to the public. This is a courtesy that Members of the House expect from agencies of the executive branch and it enables us to follow with intelligence and proper concern the effects on our own constituents of the programs of the executive branch authorized by legislation of the Congress of which we are Members. To my astonishment, however, about the first of this month, I learned through newspaper publicity that an additional grant under this same program amounting to \$60,000 had been made to Luzerne County to help develop a comprehensive mass transportation plan comparable to that currently being developed in adjoining Lackawanna County. No notice of any kind was given to me in advance of this action nor indeed after the action had occurred except in response to my inquiry addressed to the Housing and Home Finance Agency. The explanation then given to me was that this additional grant of \$60,000 was not a new action, but rather an amendment of the action of November 1962, and normally would not be made the subject of public announcement or of notification to a Member of Congress. Such amendatory actions, even though they may involve substantial amounts of additional assistance given by the executive branch of the Government to our communities, are apparently considered as routine in nature to be handled by an interchange between executives of the Federal agency granting the assistance and the local agency receiving the assistance. This attitude appears to me all the more remarkable in this instance because the additional \$60,000 granted was for an entirely different kind of planning from that contemplated in the original grant made in 1962, being intended to enable Luzerne County to collect detailed land



use data, make a street conditions inventory, a traffic facility survey, a public transportation study, including an airport facilities study and evaluation. Moreover, I, as the Congressman representing this District, had known of discussions of such proposed studies, which would require Federal assistance, had inquired about their progress on more than one occasion, and had asked to be informed of actions taken regarding them. My request for this notification was ignored.

This incident occurred in a program administered by the Housing and Home Finance Agency. This is an Agency which I have reason to believe endeavors to cooperate fully with the Members of Congress on matters affecting their constituents, and if its procedures have been at fault in the incidents I have cited, I believe it will be that Agency's purpose to correct those procedures as may be needed. The failure to keep Members of Congress properly informed of executive department actions affecting their constituents is a problem that pervades the executive branch of the Government and one which requires corrective measures of a general nature.

How these conditions have come about is understandable. They have been developing slowly but surely over a number of years, paralleling the growing sense of responsibility on the part of the Congress of the United States to deal effectively with the increasingly numerous, serious, and complex problems of the urban areas of our Nation. The Advisory Commission on Intergovernmental Relations reports that Federal annual expenditures for aid to State and local governments at the beginning of the 1930's aggregated only about \$200 million a year. In the budget of the U.S. Government for the fiscal year 1965 such Federal-aid expenditures are estimated at \$10.6 billion. These funds, implementing programs of vital importance to the communities of America, are dispensed through some 80 programs, administered by about 16 major Federal executive departments and agencies. One of the most significant actions by the Congress in this field was passage of the Housing Act of 1949 which combined many earlier programs with new measures of slum clearance and urban renewal. Later there were authorized programs of urban planning assistance and special programs designed to meet the housing needs of elderly persons. In the Housing Act of 1961, after reviewing the effects of all earlier measures, the Congress enacted the most far-reaching piece of urban and housing legislation ever approved. This act enlarged, modified, and extended existing programs and added additional programs such as those designed to deal with the problems of urban mass transportation, the preservation of open space in rapidly urbanizing areas, and housing for moderate income families, whose needs had heretofore largely been neglected. Meanwhile, other kinds of programs were authorized and responsibility for them lodged in other departments and agencies to enable the Federal Government to do its part in solving problems in such

fields as transportation, water and air pollution, sewage treatment and disposal, health, educational and recreation facilities, and many others.

To execute these various programs, there has been required an increasing number of professionals of various specialties, in the employ of local public agencies and in the employ of agencies of the Federal Government. These are the designers—the planners—the consultants—the technicians of various skills—the administrators and a vast assortment of sub-executives and professional staff people. These highly talented people have constituted themselves into various groups and bodies organized more or less professionally along the lines of their several skills, all bound together into the fraternity of those who deal in one way or another in the problems of urban communities. These are the "pro's" who have come to think of these widely diversified programs and activities as being their own proper field of activity, which they jealously guard and within which they seem to preempt the functions of policymaking, the setting of standards, and the development of procedures.

It was perhaps inevitable that this should have occurred. And these people are performing a valuable service for their country. But they are now standing in great danger, and the praiseworthy efforts to which they give their talents are now standing in great danger, from a kind of arrogance that has led them to believe that they hold dominance in what they consider to be their exclusive areas of competency. They are tending more and more to lose sight of the fact that every authority they have and every dollar of money they use to finance their projects proceeds out of the initiative of those charged with political responsibility in our American communities, in our States, and at the Federal level—in the Congress of the United States. In those programs which are dependent upon Federal assistance, nothing can be done that is not authorized by the Congress. A Member of the House of Representatives who votes on a bill enlarging, or possibly restricting, the authority of a Federal agency to extend assistance to the communities of his own district and to other communities of the United States cannot escape the responsibility of the consequences of his actions. He must know, both in general and in particular, how the authorities so granted are being used by the Federal agencies. This is mandatory if he is to have a sound basis for judgment when he is called upon to cast his vote on the renewal, extension, or possibly the termination of such authorities. This is a fact that many technicians in the field of urban affairs seem to have forgotten in what may be termed their professional pride and their sense of exclusive jurisdiction in the fields of their specialties. They all too frequently seem to feel that a Federal agency is responsible primarily to them rather than to the Congress of the United States. This can be a fatal misunderstanding.

Strengthening the trend which I have described and which I deplore is the

tendency of the professional career service employee of the Federal Government, feeling secure under the protection of our civil service system, to make his primary affiliations and to give his first loyalty to that body of specialists, technicians, and professionals which he seems to regard as a kind of private constituency of his own, distinct and apart from the more general constituency of the whole people to whom the Member of Congress holds himself responsible and to whom he must give his own loyalty. Between the careerists in Government, who consider themselves immune to political considerations, who have survived changes of administration in the National Government, and who have persisted through various reorganizations of their own agencies, there is an alliance with those who are building their careers outside the Federal Government by virtue of the financial benefits which flow from Federal agencies into local programs of housing, planning, urban renewal, and public works of all kinds and descriptions. A part of this alliance also is many a consultant who operates, not on the Federal payroll nor on the payroll of any government or local public agency, but as an independent professional and as such has built a remunerative occupation as an intermediary between the donor Federal agency and the beneficiary local body.

Perhaps the most striking result of these developments over a period of years is the fact that many of these worthy programs, supported in their initial stages by Members of Congress dedicated to the solution of urban problems, are now lacking any assurance that the Congress of the United States will support their further expansion and development. Frequently the first knowledge that a Member of Congress has of a program which has been initiated in a community within his own constituency with the aid of the Federal Government is the occasion when it runs into difficulties that threaten its very continuance. These programs necessarily deal with human and property rights, with the accustomed ways of living and doing business in local communities. They affect most drastically those of our people who are most impoverished and most in need of help. Yet all too often the specialists of these programs show least understanding for and consideration of those most directly and sometimes tragically affected by their efforts. It is the Member of Congress to whom such people appeal for assistance. Is it any wonder that, at this time in history, the Members of Congress who are called upon to vote again for the enlargement of these already sweeping authorities pause and consider whether or not they are serving the people's interests as they were originally conceived. I believe they are in general serving the public good, but I believe that there is a growing misunderstanding and distrust of their purposes.

Unless those responsible at the Federal level and at the local level for the execution of these programs are able to demonstrate a greater confidence in the Congress and a greater willingness to provide to its Members current informa-



tion on their policies and their operations, I serve upon them a warning now that they are defeating their own best efforts and are putting in jeopardy not only their own careers but all the efforts that have been made by the Congress and a body of devoted public servants to rescue the communities of America from the consequences of past neglect and save them from the evils of unplanned growth hereafter.

I am not asking for anything which should be difficult to accomplish, but I do ask that the problem be recognized in its full dimensions and that steps be taken without delay to assure that the true and proper relation between the agencies of the executive branch and the Members of Congress be restored even though that requires a change in modes of thinking and patterns of behavior that have become all too well established in recent years.

#### NEWS RELEASE FROM HOUSING AND HOME FINANCE AGENCY

Luzerne County, Pa., will receive a \$75,000 Federal grant under the urban planning assistance program to aid its program of comprehensive planning, it was announced today by Commissioner William L. Slayton of the Urban Renewal Administration.

Luzerne County (population 346,972) is in the east-central section of the State. Wilkes-Barre is the seat of the county which is in an officially designated redevelopment area.

The Federal grant, supplemented by \$25,000 in local funds, will finance planning activities for 2 years, such as:

Recommendations for locating new schools and for developing an overall economic development program;

Analysis and plan for recreation and tourism, urban renewal needs, and railroad facilities and needs;

Preparation of a plan for commercial areas; and

Formation of a comprehensive plan report and educational program.

The results of the work will be presented in the form of reports, maps, plans, charts, and other graphic material.

For more information: Jarrett W. Jennings, chairman, County Courthouse, North River Street, Wilkes-Barre, Pa.

(Mr. SCHENCK (at the request of Mr. GOODELL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. SCHENCK'S remarks will appear hereafter in the Appendix.]

(Mr. FOREMAN (at the request of Mr. GOODELL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. FOREMAN'S remarks will appear hereafter in the Appendix.]

#### PUERTO RICAN WEEK

(Mr. POWELL (at the request of Mr. STRATTON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. POWELL. Mr. Speaker, the Puerto Rican community of New York will again take over New York's Fifth Avenue on Sunday, June 7, at 1 p.m., when 50,000 Puerto Rican participants will

march down the avenue, culminating Puerto Rican Week, proclaimed by Mayor Robert F. Wagner.

The committee for the Puerto Rican parade is the organization which annually is responsible for effectuating this mammoth activity. Gilberto Gerena-Valentin, the parade president, stated, "this year will be the largest parade ever, with one-half million expected observers, and 50,000 marchers. This parade symbolizes the unity of the Puerto Rican community and its growing political, numerical, and economical strength; but most important of all, it symbolizes the collective aspirations of a community seeking its place in the sun in the mainstream of American life."

This year's parade will be dedicated to the motto of "Advancement Through Education" in a community effort to instill in our young and old alike the value of education in the attainment of goals in our society.

The grand marshal this year will be Jose R. Erazo, an attorney and Democratic district leader from the East Harlem area, who will be accompanied down Fifth Avenue by New York City's Mayor Robert F. Wagner.

As the Congressman from this area I salute them.

#### WAR ON POVERTY

(Mr. SCHENCK asked and was given permission to extend his remarks at this point in the RECORD and include an editorial.)

Mr. SCHENCK. Mr. Speaker, the President's war on poverty has been the subject of many comments by writers and columnists all over the country. Lady Bird Johnson herself brought the war closer to home in her statement about the tenants on her Alabama farm.

Some second thoughts on Mrs. Johnson's remarks became the subject of Dayton Journal Herald publisher, Dwight Young, in his column "Talking It Over."

I would like to include Mr. Young's column at this point in the RECORD so that all Members may read it at their leisure.

Mr. Young's column follows:

#### TALKING IT OVER

(By Dwight Young)

After reading Lady Bird's answer in the papers the other morning to those two nosy Republican Congressmen who reported they found several tenants living in abject poverty on her 2,000-acre plantation in Alabama, this corner felt an almost irresistible urge to dash off a postcard to 1600 Pennsylvania Avenue, Washington, D.C., warmly congratulating the new mistress of the White House on her clever repartee.

"Talking It Over" confess to having an insatiable predilection for witty comebacks, particularly in the political arena. And this rejoinder by Lady Bird appeared to ring down the curtain permanently on those nasty GOP sleuth hounds in their desperation to "get something" on our "first family."

Surely everybody remembers the story. It was the one with the accompanying picture showing Lady Bird daintily washing her hands underneath the perforated bottom of a suspended water bucket at the Lick Branch rural school near Jackson in the eastern Kentucky mountains.

Incidentally, none of the small army of high-heeled female reporters who trailed Lady Bird over the gravel roads in those Kentucky hills took the trouble to tell us how the bucket acquired those sieve-like holes. Were they hand punctured, or did rust make them? When we get down to such details of rural hill country living as that of the wife of the President of the United States washing her hands from such a contraption as a leaky water bucket, I want to know everything!

But let's get back to Lady Bird's nifty repartee. This is what she said:

"Some people are suddenly very worried about the tenant families who live on my farm in Alabama. I'm glad they are concerned. I've been worried about these families a long time. And if there had been a poverty bill 30 years ago these former cotton farmers would have been trained to a new skill rather than remaining on in an economy that time has passed by."

As I re-read that last sentence a couple of times to get its full import I could feel my eagerness to get that congratulatory postcard on its way to Washington slowly oozing away. I faltered over the "30 years ago" part of it. Why did Lady Bird specifically say 30? Why not 20 or 40 or 50? Could it be that the figure "30" exerts some sort of talismanic influence in her life?

As I continued to ponder this puzzling choice of words still another question obtruded.

Who was President 30 years ago? Inasmuch as Husband L.B.J. is the chief cook and bottle washer of the current national and international "war on poverty," what would be more natural than for a loyal wife, such as Lady Bird indubitably is, to blame the poverty-stricken plight of her Alabama tenants on some hard-hearted former President—and that of course would have to be a Republican. Coming from a politically minded source, that would be an obvious logical deduction.

But something went askew somewhere along the line. Either Lady Bird erred slightly in her spur-of-the-moment calculation, or she isn't quite as partisan as some of us suspected, or she merely reached up into thin air and grabbed hold of the first figure that came to mind.

For 30 years ago would have been the year 1934. That was after Franklin D. Roosevelt's first full year in the White House—a time when highfalutin New Deal projects were bubbling up all over the place. That was the era of NRA, WPA, TVA and a host of other federally financed alphabetical agencies, including leaf-raking on a national scale.

Surely Lady Bird couldn't have had FDR in mind, for he was L.B.J.'s patron saint at whose knee he, then a fledgling Texas congressman, learned the ABC's of practical, vote-winning politics. That would have been too close to lese majesty for anybody's comfort.

However, if she had reached back 2 more years—even one would have sufficed—and said 32 or 31 years ago, she would have been on traditional Democratic terra firma.

That would have been the Hoover administration which until recently has been blamed by the New Deal, the Fair Deal, and the New Frontier for just about everything that has gone awry in the American economy since Herbert Hoover moved into the White House, March 4, 1929.

Sorry, Lady Bird, but it now seems that instead of sending you felicitations this corner shall have to substitute commiserations. What a heaven-sent opportunity you muffed, and how.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:



Mr. FLYNT (at the request of Mr. STEPHENS), for June 3, on account of official business.

Mr. TOLLEFSON, for June 3, and 4, on account of official business.

Mr. MATSUNAGA (at the request of Mr. ALBERT), for today and tomorrow, on account of official business.

Mr. ASPINALL, for today, on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONTE (at the request of Mr. ARENDS), for 15 minutes, today.

Mr. FLOOD (at the request of Mr. FRIEDEL), for 30 minutes, today; and to revise and extend his remarks and to include extraneous matter.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. GROSS in two instances and to include extraneous matter.

Mr. FALLON asked and was given permission to insert tables after his remarks to be made in Committee of the Whole on H.R. 10503.

Mr. CLEVELAND (at the request of Mr. CRAMER) and to include extraneous matter in his remarks on the bill H.R. 10503.

Mr. SPRINGER (at the request of Mr. GOODELL) and to include extraneous matter.

Mr. BLATNIK (at the request of Mr. STRATTON) and to include extraneous matter.

(The following Members (at the request of Mr. ARENDS) and to include extraneous matter:)

Mr. DERWINSKI.

Mr. PELLY in two instances.

Mr. ALGER in five instances.

Mr. BERRY in three instances.

Mr. RUMSFELD in two instances.

Mr. MCINTIRE.

Mr. JENSEN.

Mr. BARRY.

Mr. OSTERTAG.

Mr. WYMAN in two instances.

Mr. CHAMBERLAIN.

Mr. CONTE.

Mr. MATHIAS in six instances.

(The following Members (at the request of Mr. FRIEDEL) and to include extraneous matter:)

Mr. FRIEDEL in two instances.

Mr. FRASER in four instances.

Mr. BROOKS.

Mr. BOLLING.

Mr. FLOOD.

Mr. MULTER in three instances.

Mr. RAINS in two instances.

Mr. PATTEN.

Mr. STAEBLER.

Mr. GILL.

Mr. ROSENTHAL in two instances.

Mrs. SULLIVAN in two instances.

Mr. VANIK.

#### ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee has examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1382. An act for the relief of John Gatzopi Overbeck and Mary Gatzopoulos Overbeck; and

H.R. 7332. An act granting the consent of Congress to a further supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 1382. An act for the relief of John Gatzopi Overbeck and Mary Gatzopoulos Overbeck;

H.R. 1727. An act for the relief of Richard G. Green, Jr.;

H.R. 5305. An act for the relief of Dr. Ernest P. Imbe;

H.R. 5571. An act for the relief of Noble Frank Smith and his wife, Viola Smith;

H.R. 6876. An act for the relief of Capt. Wilfrid E. Gelinas, U.S. Air Force;

H.R. 7223. An act granting the consent of Congress to a further supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes;

H.R. 7757. An act for the relief of Jesse I. Ellington;

H.R. 8222. An act for the relief of Edward J. Maurus;

H.R. 8348. An act for the relief of Mrs. Faye E. Russell Lopez;

H.R. 8532. An act for the relief of Ivan D. Beran;

H.R. 8828. An act for the relief of John T. Cox;

H.R. 8936. An act for the relief of Leonard M. Dalton;

H.R. 9475. An act for the relief of Miss Grace Smith, and others;

H.R. 10078. An act for the relief of Philip M. Shepherdson; and

H.R. 10774. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of cadmium from the national stockpile and the supplemental stockpile.

#### ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 16 minutes p.m.) the House adjourned until tomorrow, Thursday, June 4, 1964, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2142. A letter from the Assistant Secretary of the Interior, relative to reporting that an

adequate soil survey and land classification of the lands to be served by Agate Dam and Reservoir facilities has been completed, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2143. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants offered by a foreign government"; to the Committee on Armed Services.

2144. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952, as amended by Public Law 87-885; to the Committee on the Judiciary.

2145. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952, as amended by Public Law 87-885; to the Committee on the Judiciary.

2146. A letter from the Comptroller General of the United States, transmitting a report relating to overstatements of the number of jobs created under the accelerated public works program, Area Redevelopment Administration, Department of Commerce; to the Committee on Government Operations.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 742. Resolution for consideration of H.R. 11380, a bill to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes; without amendment (Rept. No. 1455). Referred to the House Calendar.

Mr. PATMAN: Committee on Banking and Currency. H.R. 10000. A bill to extend the Defense Production Act of 1950, and for other purposes; without amendment (Rept. No. 1456). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of conference. H.R. 11201. A bill making deficiency appropriations for the fiscal year ending June 30, 1964, and for other purposes (Rept. No. 1457). Ordered to be printed.

Mr. POWELL: Committee on Education and Labor. H.R. 11377. A bill to mobilize the human and financial resources of the Nation to combat poverty in the United States; without amendment (Rept. No. 1458). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:  
H.R. 11477. A bill to provide that the Secretary of the Navy shall convert the facilities of the Philadelphia Naval Shipyard to facilities adequate for a nuclear shipyard; to the Committee on Armed Services.

By Mr. PRICE:  
H.R. 11478. A bill to provide for the establishment of a mint of the United States in the State of Illinois; to the Committee on Public Works.







June 15, 1964

20. **POVERTY.** As reported (see Digest 110), H. R. 11377, the proposed Economic Opportunity Act of 1964 to combat poverty, includes provisions as follows:

Establishes in the Executive Office of the President a new agency to be known as the Office of Economic Opportunity to be headed by a Director. Authorizes the Director, with the President's approval, to arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions and, as necessary, to delegate any of his powers under the bill. Authorizes the Director to allocate and expend, or transfer to other Federal agencies for expenditures, funds made available under the bill.

Establishes an Economic Opportunity Council, which includes the Secretary of Agriculture, to consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

Establishes a National Advisory Council composed of representatives of the general public and appropriate fields of endeavor to review and make recommendations on the operations and activities of the Office of Economic Opportunity.

Authorizes special programs to combat poverty in rural areas. Authorizes the Director to make grants of not to exceed \$1,500 to low-income rural families, who are not qualified to obtain such funds by loan under other Federal programs, to acquire or improve real estate or reduce encumbrances or erect improvements thereon, operate or improve the operation of farms not larger than family sized, participate in cooperative associations, or finance nonagricultural enterprises which will enable such families to supplement their income. Authorizes the Director to make loans of not to exceed \$2,500 to low-income rural families to finance nonagricultural enterprises which will enable them to supplement their income. (The Committee report states that these grants and loans will be administered by the Farmers Home Administration under delegation of authority.) Authorizes the Director to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations for the improvement of the productivity and income of low-income farmers. Authorizes the Director to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families. Requires the Director to develop and carry out as soon as practicable a program to assist States, political subdivisions, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs for the assistance of migrant agricultural employees and their families in housing, sanitation, education, and day care of children. Requires the Director to carry out these special programs to combat poverty in rural areas for three fiscal years and authorizes the appropriation of \$50 million for the first fiscal year, 1965, for this purpose.

Creates a Job Corps of young men and women aged 16 through 21 to provide them with education, vocational training, and useful work experience, including work directed toward the conservation of natural resources. Authorizes the Director to enter into agreements with Federal, State, and local agencies for the establishment and operation of conservation camps and training centers in both rural and urban areas.

Authorizes grants and assistance to States and public or private nonprofit agencies for urban and rural communities to mobilize their resources to combat poverty through community action programs in such fields as employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families. Requires the Director to establish criteria for the equitable distribution of communi-



ty action assistance between urban and rural areas.

Authorizes grants to States for providing basic education to adults over 21 years of age who are unable to read or write.

SENATE

21. FOREST LANDS; LOANS. The Banking and Currency Committee reported without amendment H. R. 8230, to amend Sec. 24 of the Federal Reserve Act (12 U.S.C. 371) to liberalize the conditions of loans by national banks on forest tracts (S. Rept. 1077). p. 13291
22. CREDIT UNIONS. The Banking and Currency Committee reported without amendment H. R. 8459, to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations (S. Rept. 1078). p. 13291
23. FLOOD RELIEF. Sen. Mansfield expressed his appreciation for Federal aid to Mont. in the recent flood disaster and inserted various articles and letters including one from this Department describing what is being done to alleviate problems arising from the floods. pp. 13293-309
24. SOIL CONSERVATION. Sen. Burdick praised the Soil Conservation Service for help furnished to N. Dak. farmers and ranchers and inserted a digest of the 1963 annual report of the Soil Conservation Service setting forth numerous facts about the scope of the work, accomplishments, and conservation needs. pp. 13309-10
25. ESTES CASE. Sen. Dominick called attention to what he termed "the struggle between the legislative and executive departments, in connection with actions of the executive department" and mentioned the Billie Sol Estes case, and inserted newspaper articles to support his remarks. pp. 13310-12
26. LANDS; MINING. Sen. Young, Ohio, urged enactment of legislation to stop destruction of land by strip mining and called it a ridiculous paradox that States permit strip miners to ravish land, while at the same time it is suggested that Federal funds be used to rehabilitate it. pp. 13313-4
27. ANIMAL RESEARCH. Sen. Neuberger stated that editorial support continues to grow for legislation to provide humane treatment of animals used in research experiments, and inserted an editorial on the subject. pp. 13322
28. FOOD-FOR-PEACE. Sen. McGovern commended and inserted a summary of some of the highlights of the food-for-peace program which Secretary Freeman wrote for Parade magazine. p. 13351-2
29. WATER RESOURCES. Received a message announcing that the House insisted upon its amendments to S. 2, to establish Federal-aid water research and that the House agreed to the conference requested by the Senate. p. 13354
30. FOOD COMMISSION. S. J. Res. 71, to establish a National Commission on Food Marketing, was returned from the House in compliance with request. p. 13354
31. BEEF PRICES. Sen. McGovern commended and inserted a speech by Sen. McGee appraising the beef price situation. pp. 13364
32. RECESSED until Tuesday, June 16.







June 18, 1964

16. WILDLIFE. The Commerce Committee reported with amendment S. 1363, to increase the participation by counties in revenues from the National Wildlife Refuge System by amending the act of June 15, 1935, relating to such participation (S. Rept. 1096). p. 13754
17. PESTICIDES. Sen. Ribicoff set forth issues regarding pesticides, reviewed actions which have already been taken, and announced that the Subcommittee on Reorganization and International Organizations of the Senate Government Operations Committee will resume hearings on this subject beginning, June 29, and will consider charges that the Public Health Service mismanaged its investigation of the recent Mississippi River fish kill. p. 13754
18. FOOD-FOR-PEACE. Sen. Humphrey inserted a speech by George Goss defending the food-for-peace program. pp. 13769-70
19. FOREIGN AID. Sen. Humphrey inserted a speech by Assistant Secretary of State Mann, "The Democratic Ideal in Our Policy Toward Latin America." pp. 13770-5
20. POVERTY. Sen. Yarborough inserted the testimony of Secretary of Labor Wirtz on the poverty bill, S. 2642. pp. 13787-9
21. WHEAT. Sen. McGovern inserted a letter from Assistant Secretary Jacobson reporting on the status of wheat sales to Russia. p. 13826
22. FOREST ROADS. The Public Roads Subcommittee approved for consideration by the Public Works Committee S. 1147, enabling construction of an adequate system of roads for the national forests. p. D482

ITEMS IN APPENDIX

23. POVERTY. Sen. Morton inserted an editorial critical of the proposed poverty program and commending Rep. Snyder's opposition to certain features of the proposal. pp. A3328-9
24. AREA REDEVELOPMENT. Extension of remarks of Rep. Talcott criticizing and urging a congressional investigation of the area redevelopment program. p. A3335  
Rep. Widnall inserted a letter from Sar A. Levitan suggesting certain changes in the area redevelopment program. p. A3367
25. FOREIGN TRADE. Extension of remarks of Puerto Rican Resident Commissioner Fernos-Isern commemorating the 30th anniversary of the enactment of the Foreign-Trade Zones Act. pp. A3326-7
26. OPINION POLLS. Rep. Martin, Nebr., inserted the results of an opinion poll in his district on various matters, including the wheat program, sales of agricultural products to Communist nations, meat imports, civil rights, and the proposed poverty program. p. A3329  
Rep. Rhodes, Ariz., inserted the results of an opinion poll in his district on various matters, including trade with Communist nations, civil rights, establishment of a Job Corps, and establishment of a Domestic Peace Corps. pp. A3347-8

BILLS INTRODUCED

27. PUBLIC LAW 480. S. 2925, by Sen. McGovern, to amend title II of Public



Law 480 to authorize the use of foreign countries by the President to more effectively carry out programs under titles II and III; to Agriculture and Forestry Committee. Remarks of author. pp. 13842-3

28. ORGANIZATION. H. R. 11664, by Rep. Cohelan, to establish a Commission on the Organization of the Congress; to Rules Committee.
29. WATER RESOURCES. H. R. 11667, by Rep. Smith of California, to authorize the coordinated development of the water resources of the Pacific Southwest, and for other purposes; to Interior and Insular Affairs Committee.
30. TOBACCO. H. R. 11671, by Rep. Rogers, to regulate the labeling and advertising of cigarettes, and for other purposes; to Interstate and Foreign Commerce Committee.
31. TIME STANDARDS. H. R. 11672, by Rep. Corman, to provide a uniform period for daylight saving time; to Interstate and Foreign Commerce Committee.

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COMMITTEE HEARINGS JUNE 19:

Food Stamp plan, S. Agriculture (farm organizations to testify).

Paperwork management pursuant to Federal Reports Act, Census and Government Statistics Subcommittee, H. Post Office and Civil Service (Koffsky and Trelogan to testify).

Pay bill, S. Civil Service (exec).

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and to keep faith with our great tradition of responsible citizenship. In the debates on jury trials I pointed out that this is one area of our Government where every citizen can feel that he has a vital role in the governmental process.

I hope that the old cleavages which divided the North and South for so many years, will not be replaced by new ones, based on racial lines of enduring permanence.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. ELLENDER. I yield myself 5 more minutes.

Mr. President, as we begin this summer, hope that it will not again be marred by racial demonstrations fomented by agitators, professional and otherwise. The college students, the clergymen, and the paid Negro organizers who plan to come into the South in caravans and create strife could better serve the cause of racial justice by staying at home and attending to their own race problems. I hope that we will not again have the spectacle of a northern Governor's mother traveling several thousand miles to engage in what to her must have been fun and entertainment, by participating in street demonstrations. She could have done more by going no further south than South Boston.

The deadly serious business of protecting life and maintaining order will not be abandoned. Those who make their living by agitation and those who relieve their boredom by creating racial unrest will not be accommodated. Law and order must be respected.

Martin Luther King has talked of "setting my people free." Has he ever enjoined them to set themselves free—free from those things which really keep them down? I hope to see the day when just one Negro leader will lead a demonstration against filth, illegitimacy, indolence, and crime. I would like to see just one sit-in for family responsibility, just one pray-in for spiritual and civil responsibility.

We hear too much these days about civil rights. It is time we hear more about civil responsibility.

I reserve the remainder of my time.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|                |           |               |
|----------------|-----------|---------------|
| [No. 432 Leg.] |           |               |
| Alken          | Clark     | Hart          |
| Allott         | Cooper    | Hartke        |
| Anderson       | Cotton    | Hayden        |
| Bartlett       | Curtis    | Hickenlooper  |
| Bayh           | Dirksen   | Hill          |
| Beall          | Dodd      | Holland       |
| Bennett        | Dominick  | Hruska        |
| Bible          | Douglas   | Humphrey      |
| Boggs          | Eastland  | Inouye        |
| Brewster       | Edmondson | Jackson       |
| Burdick        | Ellender  | Javits        |
| Byrd, Va.      | Ervin     | Johnston      |
| Byrd, W. Va.   | Fong      | Jordan, N.C.  |
| Cannon         | Fulbright | Jordan, Idaho |
| Carlson        | Goldwater | Keating       |
| Case           | Gore      | Kennedy       |
| Church         | Gruening  | Kuchel        |

|           |             |                |
|-----------|-------------|----------------|
| Lausche   | Morton      | Scott          |
| Long, Mo. | Moss        | Simpson        |
| Long, La. | Mundt       | Smathers       |
| Magnuson  | Muskie      | Smith          |
| Mansfield | Nelson      | Sparkman       |
| McCarthy  | Neuberger   | Stennis        |
| McClellan | Pastore     | Symington      |
| McGee     | Pearson     | Talmadge       |
| McGovern  | Pell        | Thurmond       |
| McIntyre  | Prouty      | Tower          |
| McNamara  | Proxmire    | Walters        |
| Mechem    | Randolph    | Williams, N.J. |
| Metcalf   | Ribicoff    | Williams, Del. |
| Miller    | Robertson   | Yarborough     |
| Monroney  | Russell     | Young, N. Dak. |
| Morse     | Saltonstall | Young, Ohio    |

The PRESIDING OFFICER. A quorum is present.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi will state it.

Mr. STENNIS. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Mississippi has 23 minutes remaining.

Mr. STENNIS. Mr. President, before I proceed, may the Senator from Texas be recognized?

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ECONOMIC OPPORTUNITY ACT OF 1964—STATEMENT OF SECRETARY OF LABOR WIRTZ

Mr. YARBOROUGH. Mr. President, I yield myself 1 minute. I understand that I am speaking on my own time, and not the time of the Senator from Mississippi.

Yesterday at the opening of the hearings before the subcommittee considering the poverty program of the Economic Opportunity Act of 1964, two witnesses testified, namely, Sargent Shriver and Secretary of Labor Willard Wirtz.

The statement of Secretary Wirtz was one of the finest I have ever heard before any committee on the great question of raising the standard of living and the standard of life and economic, social, governmental, and educational opportunities for the approximately 30 million deprived persons now in our society.

I ask unanimous consent to have printed at this point in the RECORD the statement made by Secretary Wirtz before the Special Committee on Poverty of the Committee on Labor and Public Welfare, which is considering the Economic Opportunity Act of 1964.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF W. WILLARD WIRTZ, SECRETARY OF LABOR, BEFORE THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE ON S. 2642, ECONOMIC OPPORTUNITY ACT OF 1964, JUNE 17, 1964

Three months ago, on March 19, I appeared before the Subcommittee on the Poverty Program of the House Education and Labor Committee and said that testifying in support of the Economic Opportunity Act gave me more satisfaction than any other action as Secretary of Labor that I could remember.

I come before you today with feelings that go beyond satisfaction to a point that I can only describe as an immense pride in our country, in the Congress, and if you will permit me, in the administration.

At the 2d session, the 88th Congress has passed the tax bill—which assures, by its

strengthening of the economy, fuller opportunity for every American.

It has brought dramatically forward toward enactment the civil rights bill—which will assure equal opportunity for all Americans.

It is now considering, with the overwhelming support of the Nation and at the express urging of the President, the Economic Opportunity Act—which will assure that every American has the opportunity to be equal.

Never, since the first 100 days of Franklin D. Roosevelt's New Deal, have three such massive pieces of domestic legislation been passed in such a space of time.

Never, since the deepest days of the depression, have the people, the Congress, and the President worked so closely together to create a new vision of the American opportunity.

What has happened, in a word, is that America has taken charge of its future. Six months ago we were entering our seventh consecutive year of high, persistent, degrading unemployment.

If the basic fiscal and monetary policies of the Nation had gone forward unchanged, there was no prospect whatever that the economy would begin to solve the problem of unemployment. The only question was whether we could keep it from getting worse. The Nation seemed to have responded not at all to President Kennedy's impassioned plea at Yale University to sort out illusion from reality in our thinking about economic matters, and to put behind us the persistent, pervasive myths of the past.

Yet now the greatest tax reduction program in history has been enacted. And already we have before us unmistakable evidence that this enormous act of faith in the intelligence and integrity and discipline of contemporary economic thinking is paying off beyond our greatest expectation. By last month the number of nonagricultural jobs had increase 2.2 million over the previous year. Unemployment reached the lowest point in more than 4 years.

Six months ago we were entering, to our shame, the second century in which the full meaning of the Emancipation Proclamation had still not been given expression in the laws, and institutions, and practices of our Nation and its people.

Yet last week the Senate took the decisive step that will lead to the greatest and most comprehensive civil rights bill in our history. Out of a babel of discord, the strong clear voice of sanity has at last been heard—declaring that one person's right are as important as another's.

Finally, it has become clear that America is not going to put up with the paradox of poverty amidst prosperity. We realize now that by itself prosperity is not going to get rid of poverty. In his state of the Union message President Johnson declared "all-out war on poverty," and in S. 2642, this declaration has been translated into an effective battle plan.

The war on poverty has been conceived around two central objectives:

First, to provide jobs and training, especially for those young people now growing up in poverty and increasingly condemned by lack of economic opportunity to repeat the cycle all over again.

Second, to begin the process of planning and organizing that will bring the entire resources of a community to bear on the specific problem of breaking the cycle of poverty in that community.

Most of the victims of poverty are today the sons and the daughters of poverty. Worse than that: Of the almost 3 million children in families receiving public assistance in 1961 under aid to dependent children programs, 40 percent were descended from grandparents who received this aid. To paraphrase Justice Holmes, three generations of poverty is enough.



In 1962, there were some 11.5 million young persons under the age of 18 living in families whose total money income was less than \$3,000. Half these families had incomes below \$1,800.

Almost two-thirds of the heads of poor families have only 8 years or less of schooling.

Nearly two out of five of these families are headed by persons who are not listed in the work force at all.

More than three-quarters of the poor families are white.

It is a false notion that the poor are concentrated in a few so-called pockets of poverty. They are everywhere in America. If they are out of sight, do not suppose that they are ever more than 5 miles away.

There is no more desperate plight than that of the poor families headed by women. About a third of the families with women breadwinners in 1962 had incomes under \$2,000. About half a million women breadwinners whose husbands were absent were trying to raise school age children at the same time they support them.

In April of this year there were in fact 1 million families receiving assistance through the aid to dependent children program; 3.2 million children were living on ADC payments. The average payment to a family was \$129 per month last October. This is \$30 a week for a family to grow up on. That will keep people alive. It will not break the cycle of poverty.

It is possible not to face the responsibility of society to provide its children with the health and education and moral instruction that will enable them to become independent, self-sufficient citizens. But it is not possible to escape the penalties of failing to do so. Every undereducated, undertrained youth from a poverty background entering our work force today will cost us approximately \$30,000 in various kinds of welfare payments in the course of his life. Either we help the youth or we support the adult. And every dollar we invest now in the youth will save us 10 to 20 times that before we are through.

In the 12 months that begin July 1, 3 weeks from now, a million more persons will turn 18 than in the current 12 months.

Nine and a half million teenagers will enter the work force during this decade without a high school education. The task of finding steady employment for this group will be exceedingly difficult. Although unemployment declined last month to the lowest point in 4 years, about one out of six teenagers in our labor force could not find a job in May.

On the 1st of July, the United States will begin one of the most important social experiments of the postwar period.

Beginning that day, all young men who register for selective service and who are out of school will be called in immediately and given the Armed Forces qualifications tests. At the present time many boys wait 4 or 5 years before being examined.

The object of these examinations will not be to find out which young men are qualified for military service. No one is going to be drafted any sooner than in the past. The purpose will be rather to find out who is not qualified—either for military service or for responsible life as a productive citizen.

We have already begun referring older boys who are rejected for the draft to our local employment service offices, so we have some experience with the program, and full confidence that it will work.

We have also some measure of the size of the problem we face.

In New York City—just as one illustration—during the 6-month period ending March 31 of this year, more than half—53.1 percent—of the young men called up for selective service were rejected because of physical or educational inadequacies. More

than one boy in four who was called up could not meet the education standards of the Armed Forces. These are the equivalent—at the top—of about a seventh or eighth grade education.

You will see the kind of problem we are facing when I tell you that one New York City youth in every six scored so low on the mental test that the law prohibits the induction of such persons into the Armed Forces. This is the so-called 10th percentile group, whose education and training has not gone beyond the level of the fifth grade.

Our investigation of this general situation shows clearly that most of these boys are the products of poverty—of bad homes, bad schools, bad neighborhoods. There are vastly more of them than we have allowed ourselves to suppose.

As nearly as I can evaluate the available evidence we are right now—at a time of record prosperity—adding between 250,000 and 300,000 boys and girls to a human waste heap every year. This estimate is based on school dropout rates, increasing juvenile delinquency, illegitimate births, and narcotics addiction rates, unemployment rates—the crudest statistics in the world. But the estimate is, if anything, low.

This is one part of the picture of the necessity for the passage of the Economic Opportunities Act.

Title I of S. 2642 contains provision for the assistance, through work and training programs, of between 300,000 and 400,000 boys and girls every year.

The Job Corps program provided for by title IA of the act will provide training and work camp experience for young men and women who need most of all to be given a new environment in which to develop their talents.

The job-study program set up by title I-C of the act will permit boys and girls who might otherwise have to drop out of school for economic reasons to meet their needs.

A third part of this youth training and work program, which will be administered through the Department of Labor, is provided for in title I-B. It contemplates the development of work-training programs for 200,000 boys and girls the first year.

We propose to put 150,000 of these young men and women to work in Neighborhood Youth Corps projects within 2 months of the day the Economic Opportunity Act is signed and funds are appropriated for it.

This may seem a rash commitment. But the situation demands this kind of action. We will be ready for it.

In general, the Neighborhood Youth Corps program will make available three types of jobs:

The first will be part-time employment after school and during summer for youngsters who are in school, who are doing all right, but who might otherwise be forced by economic need to drop out of school.

The second type will also be part-time work for students who are potential dropouts because they are losing interest in academic work. They will be given part-time work calculated to develop marketable vocational skills and work habits, with the expectation that they will eventually move into regular permanent employment. Every effort will be made to keep them in school. Work-study programs similar to this are now being successfully conducted in the school systems of at least 18 cities.

The third type of Neighborhood Youth Corps project will be designed for school dropouts who have no marketable skills. These youngsters will work on community projects in supervised work crews, where they can learn work discipline and basic vocational skills.

Every opportunity will be made to employ these youngsters in activities that will benefit the community and will lead to full-

time employment. They may work as nursery school aides, teachers' aides, or research aides. Many will be in occupations for which there is a greatly increased demand such as auto mechanics, office workers, draftsmen trainees, cooks' assistants, waitresses, nurses' aides and hospital orderlies.

These projects can be sponsored by local governments, public institutions such as schools and hospitals, or private nonprofit agencies. The Federal Government will contribute 90 percent of the cost of the program, with the local sponsor being responsible for the remaining 10 percent.

A student in a Neighborhood Youth Corps project working part time during the school year, will be able to earn as much as \$760. A young man or woman working in a summer program can earn as much as \$350.

The possibilities for projects are limited only by local needs, imagination and resources. The projects must involve facilities that are publicly owned or run by a private, nonprofit organization. They must offer service in the public interest that would not otherwise be provided.

The Department of Labor recently conducted a series of surveys to determine the number and kinds of jobs which can be offered. The response from public and nonprofit organizations was instant and enthusiastic.

Suitable job opportunities were found in rural areas as well as urban communities, in schools, health facilities, parks, recreation areas, and seashore development. These are jobs which would not otherwise be available but which badly need doing.

Perhaps even more significant than their number and location are the types of jobs we found. Many of the jobs will be performed in low-income areas, and their performance will contribute doubly to the overall attack on poverty. Nursery attendants will free mothers who must go to work or receive training; teaching aids will free regular teachers to provide more individual attention in overcrowded classrooms. Ugly urban decay will be cleaned up.

The occupations range widely in terms of the entry skills and aptitudes required—from unskilled (messengers, groundskeepers, and cooks' helpers) to technical and subprofessional (lab assistants, tutors, and nurses' aids). Maximum use will be made of occupations which will equip young people with skills and experience increasingly in demand in the growing service and public sectors of the economy. Unskilled entry jobs will be chosen which give promise of advancement. Youth will be guided individually through a planned progression of jobs or tasks which tax and stimulate their abilities. The occupations which have been identified are the type which will make this possible.

We shall insure that on-the-job and supplementary training are provided when needed.

No job in this program will displace a regular worker. Nor will the Department approve any program which might substitute for regular full-time jobs that would otherwise be created. We are not going to meet this problem by robbing Peter of his job to give it to Paul's son.

Typically, the youth will serve as part-time aids or helpers in activities which are starved for additional help and for which full local financing is simply not available, and is clearly not going to be available.

Girls will participate fully in these programs. Poverty strikes often and hard at families headed by women. They, too, need skills and experience to discharge their increasing financial responsibilities. Neighborhood Youth Corps programs will serve them well.

Many of these locally conducted programs will be such that they can use the services of volunteer citizens. The spirit of the Peace Corps shows the incalculable energies and



great willingness which await guidance into constructive leadership of these young people at work. It is a major objective of this entire program to help people become self-supporting and to concentrate on efforts which will do this. It is also a major objective to avoid the creation of a large Government bureaucracy. The program is for those in poverty status, not to put people on the Government payroll.

This program will be closely coordinated with the development of community action programs authorized by the bill.

The neighborhood Youth Corps programs are, of course, only one portion of the many-sided attack on poverty in S. 2642. They will be carried on jointly with the other programs proposed in the bill:

The job corps, which will bring together important work, training facilities, and volunteer trainees.

The special work-study programs for college students.

The community action programs, which will be multipronged attacks in areas where large numbers of the poor live.

The new tools to help low-income farm people.

The loan and guarantee provisions of the bill, which are designed to develop employment opportunities for long-term unemployed in community action areas.

And, finally, the special effort to provide temporary, public service employment for the unemployed heads of families receiving welfare assistance.

The enactment of S. 2642 will provide an arsenal of weapons from which to choose in mounting the attack on the various problems of youth, poverty, and unemployment.

To help us make the best provision for each boy or girl in need of assistance—we are planning to establish youth opportunity centers to be operated by the Federal-State employment service system. The centers will make possible the integration of existing manpower responsibilities for youth at the local level and will provide a functioning base for our added work in the war on poverty. They will be staffed by specialized personnel trained to assist youth, using diagnostic interviewing, occupational testing, and counseling. The functions of the centers will be (1) to screen, counsel, and refer youth to appropriate skill development services to prepare for employment, (2) to search out suitable job opportunities for youth, and (3) to place youth in regular employment. Comparable services will be provided to youth in smaller communities and rural areas through mobile youth service units.

I speak with every other Cabinet officer and member of the administration the deep conviction that the enactment of this legislation, now, without delay, is imperative. The infection of poverty undermines our national strength in many different ways, and only a unified counterattack will bring the victory we seek as a nation. When we fight poverty, we must fight the cumulative and interrelated effect of every aspect of it. To do less will be to lose.

S. 2642 promises no miracles, pretends at no panacea. It is, though, the product of a hardheaded idealism which is the truest expression of the American character. It offers a sound beginning, a careful plan, an attainable goal, a practical dedication of the Nation to the purpose of the great society.

The issue in S. 2642 is whether we propose, as a nation, to live by the same moral code we profess as individuals.

We do.

#### CIVIL RIGHTS ACT OF 1964

The Senate resumed the consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the

United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

Mr. STENNIS. Mr. President, I yield myself 20 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 20 minutes.

Mr. STENNIS. Mr. President, within this limited time, naturally one has an opportunity to address himself only briefly to a few of the major points involved.

Mr. President, may we have order? I ask that the time required to obtain order not be charged to the time available to me.

The PRESIDING OFFICER. The Senator from Mississippi will suspend. The Senate will be in order.

The Senator from Mississippi may resume.

Mr. STENNIS. Mr. President, the most extraordinary and outstanding development in connection with the bill, since its original introduction, is that there has been a conscious, deliberate, and bold plan to remove or delete from the bill the features to which the areas of the Nation ordinarily called the East and the North are opposed and the provisions which the people of those areas find objectionable. No doubt that action made it possible to obtain the necessary number of votes to invoke cloture in the Senate and to have the Senate pass the bill. However, Mr. President, I do not believe that procedure reflects credit on the Senate or the legislative branch of the Government. I do not make that statement in regard to any particular individual; but I think it clear that the bill was in trouble and difficulty until those steps were taken. I point out that I do not make that statement "out of thin air"; I refer to the statements made by the Senator from Minnesota [Mr. HUMPHREY] in his newsletter to his constituents on April 18. His letter was, in part, printed in the RECORD earlier today. In that letter, the Senator from Minnesota stated that the entire antidiscrimination practice in Minnesota would not be changed as a result of enactment of this bill.

I hold in my hand an article which was published on April 30 of this year in the New York Times. It states that the Senator from Indiana [Mr. BAYH] asserted that the proposed statute would have little effect on residents of the Hoosier State; and the Senator from Wisconsin [Mr. NELSON] said that none of the provisions of the bill would change the practices in Wisconsin.

Mr. President, those of us who know more about the problems in the South find that our advice is rejected. Then we find that Senators from States which evidently would be little affected by the bill have succeeded in having the bill written in such a way that it would not

apply to their States, or at least would not apply to them to any appreciable extent. Yet they are the Senators who have succeeded in writing into the bill the provisions in regard to its enforcement. They are also the Senators who have succeeded in writing into the bill the FEPC provisions.

Mr. President, I ask that the Senate be in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, when the bill becomes law, in view of the precedents it will establish in the course of a few years, it will not be long until there will be total Federal control of all the fields the bill now covers, as well as other fields which may be covered by subsequent legislation, enacted as a result of continued pressure.

In this brief time, Mr. President, I shall address myself particularly to title VII, which changes the form, the mission, and the entire philosophy of our Government.

For the first time in the history of our Nation, the Federal Government will exercise an active day-to-day surveillance over the minute and internal operations of every little business and manufacturing plant in the Nation with as many as 25 employees. Soon, this 25 is certain to be changed to 15, then to 10, and then perhaps to 5.

This operation will be far removed from the power of the people. This officer will be a Federal officer. He will not be elected by the people. He will not be subject to the control of laws made by the State legislature. He will not be subject to the Governor of the State. His actions will seldom, if ever, be reviewed by a State court; they will be subject to review only by a Federal court, far removed.

Furthermore, Mr. President, the men and women employees will no longer feel the obligation and loyalty heretofore felt to their employer. This is a most important matter, in my opinion. Certainly it is in my part of the country, and I believe it is in other parts of the country. The employees will feel that the Government man got them the job. This will destroy initiative and pride in their work, and will rob them of a sense of responsibility to the owner or the operator of the business.

Let this system of Federal surveillance go on for 10 years, 15 years, or 20 years, and the entire concept of our Government will have changed. For countless employees, the entire concept of loyalty to the individual or company they work for will have been wiped out and destroyed.

Mr. President, I point out that the FEPC part of the bill refers to fair employment and to giving opportunities to all, regardless of race, color, or religion. I also point out that, according to the unemployment figures assembled by the U.S. Census Bureau, the very States which do not have FEPC laws have the best record for the employment of non-whites. I repeat, Mr. President, that these are not figures I have assembled; they are the figures which have been developed by the U.S. Bureau of the



Census. These figures have never been explained or answered. They are the U.S. Census Bureau figures for the year 1960. From them we learn that my State, Mississippi, which has the largest Negro population of any State of the Union, had one of the lowest nonwhite unemployment percentages—7.1 percent—whereas the national average is considerably higher. But in the States whose Members of the Congress are urging the enactment of this bill—States which have State FEPC laws—the situation is quite different. For example, in Minnesota, which has a State FEPC law, the unemployment rate of nonwhites is 12.8 percent—almost double that of Mississippi's; in Michigan, the unemployment rate of nonwhites is 16.13 percent; in California, it is 10 percent.

I could cite the figures for many of the other States. Those figures have previously been placed in the CONGRESSIONAL RECORD. They have never been explained or denied, and they cannot be.

So the very States that have the highest rates of nonwhite unemployment are, through the Senators who represent them in this body, forcing this bill on States which have the lowest non-white unemployment rates. In addition, the States which are forcing on the Southern States the application of this law have taken steps to make sure that the law will not apply to their own States.

Thus, people of the States that have a State fair employment law think that it will not apply to them. They have had assurance from many Senators to this effect. For the time being I believe that this is substantially correct under the announced interpretation of title VII as now written; but they might as well be warned that the Federal agency will finally take over. This question will be an issue in all congressional and national elections, and the pressure and favor of this Federal agency will finally assert themselves in additional laws; and the national FEPC will take over.

Also, through title VI we are now adding a loose, wide, general formula for the distribution of Federal funds and grants. In a large way, and as a practical matter, we are leaving it to the administration that may be in power at a particular time to write the final definition or conditions upon which Federal money, already appropriated, will actually be expended. This applies to all existing programs, as well as to those created in the future.

The other day I had a very fine colloquy with the Senator from Illinois [Mr. DOUGLAS]. I am sorry he is not in the Chamber at this time; but he had to leave. However, I told him I was going to refer to this point, which relates to the unconstitutionality of these provisions.

We find that many Senators—all of whom swore to uphold the Constitution—now are saying, by means of this bill, "Let the courts uphold the Constitution."

I now refer to that statement.

[A disturbance in the gallery.]

Mr. STENNIS. Mr. President, that is a sign of the times.

I refer now to the speech of the Senator from Illinois [Mr. DOUGLAS] which appears on page 13434 of the CONGRES-

SIONAL RECORD of June 16. In discussing title II, the public accommodations section of the bill, the Senator from Illinois said—and he was frank and honest about it:

Why not pass this law and let the Supreme Court make the decision as to whether or not it is constitutional?

The Senator gave the real reasoning for the opinions of those cited by the proponents of the bill when they say it is constitutional. They believe that the Court, as presently constituted, will uphold it for reasons of their own; they say, further, that whatever the Court says is constitutional is constitutional, and therefore this bill is constitutional.

So, the membership of the Senate is asked to presume the public accommodations section of the bill to be valid because it is a constitutional question to be decided by the Court.

Then, the Court will say that the act starts with a presumption in its favor because it will be presumed the Congress would not pass an act unless the membership believe it to be constitutional. Thus, we have the unbelievable situation of an equation, as follows: One presumption plus another presumption equals a constitutional act.

And this will happen in the face of the fact that the last announcement on the question by the Supreme Court, in the Civil Rights Cases of 1883, was that the Congress had no power under the Constitution to pass such an act. This decision was challenged in the Howard Johnson case in 1959 and was expressly upheld by the circuit court of appeals. There was no appeal from this decision.

From many standpoints, our Constitution is now little more than a wreck. Many people realize this. Nonsouthern Senators tell me that they are more and more concerned regarding the broad holdings of the Court.

Let the Court uphold this act, and there will be nothing left.

Mr. President, I refer to a question which, it seems to me, is peculiar to my own State.

Mr. President, how much time have I remaining out of the 20 minutes with which I started?

The PRESIDING OFFICER. Eight minutes.

Mr. STENNIS. The civil rights groups and other pressure groups had the limelight for more than 1 year. They have enjoyed the publicity and the attention that they have received, and the money that they have collected. They will not voluntarily stop.

With their marches and demonstrations, many of which were unlawful, and with their threats and political blackmail, they have frightened the people of the Nation and have pushed the Congress and the President to the extreme.

They will want more fields to conquer.

Great publicity has been given to the invasion of my State, and perhaps some parts of Alabama and Louisiana. They are openly proclaiming their intention of going into these areas and creating civil rights disturbances.

This invasion of my State is sponsored by the Congress of Federated Organiza-

tions—COFO—the sponsoring group, which is made up of the following: Student Non-Violent Coordinating Committee—SNICK, Congress of Racial Equality—CORE; National Association for the Advancement of Colored People—NAACP; Southern Christian Leadership Conference—SCLC.

Others participating in one form or another and giving financial backing are the National Council of Churches, and the World Council of Churches. It is a shame that the members of churches affiliated with these two church organizations do not know what some of their money is used for when they place it in the collection plate on Sunday morning.

Recently Columnist Joseph Alsop had the following to say:

The real aim of SNICK and other extreme Negro organizations is to secure the military operation of Mississippi by Federal troops.

They want to bring about a military occupation of the State by Federal troops after they know the bill will pass. I have appealed to those in the Federal Government for a word of discouragement and warning to such groups, but so far as I know, no such word has been given out.

I appealed to the Senate for the enactment of an amendment to the bill to make it a Federal offense to cross State lines for the intent purpose of violating State laws and inciting strife and lawlessness through civil disobedience. The Senate rejected that amendment.

As I have said, violence is continuing even after it is known that the bill will pass.

Mr. President, at the appropriate time I shall introduce a bill that would cover this situation, and ask for its enactment. I ask unanimous consent that I may be permitted, at the end of my remarks, to introduce that bill and ask for its appropriate reference, and that a statement pertaining to it may be printed in the RECORD. I will continue to try to make clear to the Senate the real gravity of the situation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, the invasion of any State by outside racial agitators, and the lawlessness that will rule this year, primarily under the so-called Mississippi summer project, presents prospects of violence, bloodshed, and loss of life. It is a matter that deserves the earnest attention of the Congress and I hope my bill will have the support of the sponsors of this proposed legislation now before the Senate.

Mr. President, my time is limited. As a parting word I point out with all the emphasis that I can that I totally reject the deadly and deadening philosophy of equalitarianism which is the foundation and cornerstone of this bill. I shall never believe that either justice, morality, or constitutional principles requires or justifies the reduction of all men to the lowest common denominator in the name of equality. Equality in this sense is a manifest myth and finds no support in either fact or logic.

For my entire adult life, I have had a deep appreciation of our cherished heritage, the common law of England,









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

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U. S. Department of Agriculture

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For actions of June 30, 1964

88th-2nd; No. 131

### CONTENTS

|                            |                                |                           |
|----------------------------|--------------------------------|---------------------------|
| Alaska relief.....2        | Federal-State relations.....24 | Personnel .....4,12,16,30 |
| Appropriations....10,14,32 | Food grain.....28              | Platform.....26           |
| CCC.....9                  | Food stamps.....1              | Poverty.....3,25,26       |
| Civil rights.....15        | Foreign trade.....18           | Public debt.....33        |
| Consumers.....26           | Forestry.....20                | Reclamation.....8         |
| Containers.....22          | Income tax.....30              | Retirement.....30         |
| Cotton.....10              | Labeling.....29,31             | Tariff.....27             |
| Electrification...13,21,25 | Lands.....7,20                 | Taxation.....5            |
| Estes case.....11          | Meat imports.....29            | Tobacco.....31            |
| Farm labor.....17          | Mushrooms.....19               | Transportation.....6      |
| Farm machinery.....27      | Nomination.....9               | Travel.....16             |
| Farm program.....26        | Pay.....4                      | Water research.....23     |

**HIGHLIGHTS:** Senate passed: Food stamp bill; Alaska relief bill. Senate subcommittee approved poverty bill. Senate committee granted delay in filing report on Estes investigation. Sen. McCarthy commended public service of Cochrane. Senate made pay bill pending business. Senate received Schnittker's nomination to CCC Board. House received conference report on water resources research bill. House debated foreign aid appropriation bill. House rules Committee reported resolution to concur in civil rights bill.

### SENATE

1. **FOOD STAMPS.** Passed with amendments H. R. 10222, the food stamp bill (pp.14913-26). Conferees were appointed (p. 14926). House conferees have not yet been appointed. Agreed to an amendment by Sen. Miller to exclude imported foods from the program (p. 14926). Rejected an amendment by Sen. Cooper to provide that able bodied heads of households may be required to work a comparable time in terms of wages at the prevailing wages for the value of food received (pp. 14923-4). Rejected an amendment by Sen. Douglas to exclude soft drinks from the program (pp. 14924-5). The bill authorizes \$75 million for the first year, \$100 million for the second year, and \$200 million for the third year. Sen. Ellender explained the program would work as follows: "A State requests that a program be established in a certain area within its boundaries. That State develops a plan of operation and submits it to the Department of Agriculture. Upon approval by the Department, the State certifies low-income households as eligible under the program. These needy families then exchange the



amount of money they would normally spend for food for coupons of a higher monetary value. The difference between the amounts the households pay and the value of the coupons received represents the Federal contribution."

2. ALASKA RELIEF. Passed as reported in S. 2881, to provide authorization for Federal agencies to aid Alaska in recovering from the effects of the recent earthquake and seismic waves (pp. 14899, 14902-13). The bill gives discretionary authority to the Secretary of Agriculture to forgive, in whole or in part, indebtedness of farmers and rural residents who are borrowers from the Farmers Home Administration when necessary to enable them to recover from their earthquake losses, and authorizes the Secretary to refinance the outstanding indebtedness of other farmers and rural residents similarly damaged. Also, it authorizes the Secretary to adjust indebtedness under programs of the Rural Electrification Administration in Alaska to the extent the borrowers suffered direct earthquake damage.

3. POVERTY. The Select Subcommittee on Poverty of the Labor and Public Welfare Committee approved for full committee consideration with amendments S. 2642, the poverty bill. p. D529

4. PAY. H. R. 11049, the Federal pay bill, was made the pending business for consideration Wed. (p. 14952). Sens. Lausche, Clark, Proxmire, and Williams (Del.) submitted amendments intended to be proposed to this bill (pp. 14885-7, 14888).

As reported (see Digest 129), H. R. 11049, the Federal pay bill, includes provisions as follows: Increases the rates of compensation of positions in the Executive, Legislative, and Judicial Branches. Establishes five salary levels for top executive positions. Establishes the rate of compensation of \$35,000 for level I for Cabinet offices. Establishes the rate of compensation of \$30,000 for specified positions in level II. Establishes the rate of compensation of \$28,500 for specified positions in level III, including the Under Secretary of Agriculture. Establishes the rate of compensation of \$27,000 for specified positions in level IV, including the Assistant Secretaries of Agriculture, USDA General Counsel, and Governor of the Farm Credit Administration. Establishes the rate of compensation of \$26,000 for specified positions in level V, including the USDA Assistant Secretary for Administration, the Administrators of AMS, ARS, ASCS, FHA, REA, SCS, and FAS, Chief of the Forest Service, USDA Director of Agricultural Economics, and USDA Director of Science and Education. Authorizes the President to place 20 additional positions in levels IV and V. Changes the title of Administrative Assistant Secretary to Assistant Secretary for Administration. Provides that rates of compensation for ASC county committee employees shall be increased to correspond, as nearly as possible, with increases provided for classified employees. Increases from 9 to 10 the number of within-grade rates for grades GS-11 through GS-14, from 8 to 10 the number for grade GS-15, and from 5 to 9 the number for grade GS-16. Authorizes the appointment of individuals at rates above the minimum of the grade in grades GS-13 and above in special circumstances. Requires Federal agencies to absorb, for fiscal year 1965, not less than 10 percent of the aggregate amount of the pay increases. Provides that the salary-fixing authority of heads of departments may not be used to fix rates in excess of the highest rate for grade GS-18. Permits hearing examiners who are found qualified at grade GS-16 to be so classified by the Civil Service Commission. Provides that the salary increases shall become effective July 1, 1964, except that increases for Members of Congress shall be effective Jan. 3, 1965, and increases for officers and employees of the Congress whose salaries under the bill would exceed \$22,000 shall be effective the first pay period beginning after Jan. 1, 1965.







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## CONTENTS

|                          |                            |                    |
|--------------------------|----------------------------|--------------------|
| Appropriations.....15    | Foreign service.....13     | Parks.....7        |
| Automation.....8         | Forest roads.....2         | Personnel.....13   |
| Broom imports.....12     | Forest Service.....15      | Poverty.....1      |
| Coffee.....10            | Lands.....14               | Reclamation.....14 |
| Dual compensation.....10 | Legislative program.....10 | Sugar.....9        |
| Electrification.....4,11 | Marketing.....5            | Tariff.....16      |
| Foreign aid.....3        | Meat imports.....1,6       | Wildlife.....7     |

HIGHLIGHTS: Senate committees reported poverty and forest-roads bills. Sen. Pearson questioned ideas for revision of marketing system. Sens. Stennis and Anderson spoke in favor of Mansfield amendment on meat imports. Sens. Humphrey and McNamara recommended increase in sugar-beet quota.

## SENATE

1. POVERTY. The Labor and Public Welfare Committee reported with amendment S. 2642, the poverty bill. The printing of the report was delayed until July 20. p. 15508  
Sen. Allott inserted a letter from a constituent criticizing the poverty bill and opposing meat imports. p. 15592
2. FOREST ROADS. The Public Works Committee reported with amendment S. 1147, to enable the Secretary of Agriculture to construct and maintain an adequate system of roads and trails for the national forests (S. Rept. 1174). p. 15506
3. FOREIGN AID. The Foreign Relations Committee was authorized to report H. R. 1136 the foreign-aid authorization bill, during Senate recess. p. 15505
4. ELECTRIFICATION. S. 2853, to provide for research into the development of practical means for the utilization of solar energy, was transferred from the Aeronautical and Space Sciences Committee to the Interior and Insular Affairs Committee. p. 15514



5. MARKETING. Sen. Pearson expressed concern about a recommendation to this Department by the National Advisory Commission on Cooperatives for "the forming of producer cooperatives into independent bargaining and operating associations and also to use pool cooperatives which have been used in other countries." pp. 15517-8  
Sen. Humphrey gave a tribute to Murray D. Lincoln, president of the Co-operative League. pp. 15548-9
6. MEAT IMPORTS. Sens. Stennis and Anderson spoke in favor of the Mansfield amendment to H. R. 1839 providing for restrictions on meat imports. pp. 15545, 15556-60
7. WILDLIFE; PARKS. Sen. Yarborough stated that wildlife threatened by extinction would be helped by more national parks. pp. 15552-4
8. AUTOMATION. Sen. Nelson inserted an article expressing concern about automation. pp. 15572-6
9. SUGAR. Sens. Humphrey and McNamara spoke in favor of an additional sugar-beet quota. pp. 15568-91
10. LEGISLATIVE PROGRAM. H. R. 7381, to revise the dual-compensation laws, was made the unfinished business for consideration today, July 9 (p. 15591). Sen. Humphrey said a perfunctory session will be held Friday with no business being transacted (p. 15569). It was agreed that the International Coffee Agreement will be postponed until July 20 (p. 15569).

#### ITEMS IN APPENDIX

11. ELECTRIFICATION. Extension of remarks of Sen. Neuberger inserting a statement by Sen. Engle before the Senate Appropriations Committee criticizing the proposed west coast electric power interties. pp. A3717-8
12. IMPORTS. Extension of remarks of Rep. Beermann inserting an article discussing the problems of the broom industry with imports. p. A3720

#### BILLS INTRODUCED

13. PERSONNEL; FOREIGN OFFICERS. S. 2983, by Sen. Fulbright, to amend the Foreign Service Act and the Federal Employees International Service Act; to Foreign Relations Committee. Remarks of author, pp. 15509-10
14. RECLAMATION. S. 2985, by Sen. Bible, to amend the act of August 1, 1956 (70 Stat. 775), so as to provide that the excess land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the Washoe reclamation project; to Interior and Insular Affairs Committee. Remarks of author, pp. 15510-1

#### BILLS APPROVED BY THE PRESIDENT

15. APPROPRIATIONS. H. R. 10433, making appropriations for the Department of Interior and related agencies for 1965. See Digest 129 for a summary of Forest Service items. Approved July 7, 1964 (Public Law 88-356).
16. TARIFF. H. R. 9311, to continue for two years the suspension of duty on certain alumina and to make permanent the suspension of duty on certain bauxite. Approved July 7, 1964 (Public Law 88-362).

## ECONOMIC OPPORTUNITY ACT OF 1964

JULY 21, 1964.—Filed under authority of the order of the Senate of July 8, 1964,  
and ordered to be printed

Mr. McNAMARA, from the Committee on Labor and Public Welfare,  
submitted the following

### R E P O R T

together with

### MINORITY AND INDIVIDUAL VIEWS

[To accompany S. 2642]

The Committee on Labor and Public Welfare, to whom was referred the bill, S. 2642, to mobilize the human and financial resources of the Nation to combat poverty in the United States, having considered the same, report favorably thereon with an amendment in the nature of a substitute and recommend that the bill, as amended, do pass.

### A SHORT SUMMARY OF THE BILL

FISCAL 1965 AUTHORIZATION: \$962.5 MILLION

The Economic Opportunity Act of 1964 would establish an Office of Economic Opportunity in the Executive Office of the President. The OEO would be headed by a Director who would have a planning and coordinating staff. This staff would be responsible for coordinating the poverty-related programs of all Government agencies.

Within the OEO, staff personnel would operate a Job Corps, a program for Volunteers In Service To America (VISTA), a community action program, and special programs for migrant workers. In addition, the OEO would distribute funds to existing agencies to operate a variety of programs authorized under the bill: work-training programs would be administered through the Labor Department; work-study programs through HEW; adult basic education through HEW; special rural antipoverty programs through Agriculture; small business loans through the Small Business Administration; and community work and training projects for welfare recipients through HEW.



Following is a summary of the programs proposed under the Economic Opportunity Act of 1964:

*Title I. Youth Programs: \$412.5 million*

Part A—Establishes a Job Corps to provide education, work experience, and vocational training in conservation camps and residential training centers; would enroll 40,000 young men and women, aged 16 to 21, this year, 100,000 next year. Administered by Office of Economic Opportunity. Total first year cost, \$190 million.

Part B—Establishes a work-training program under which the Director of the Office of Economic Opportunity would enter into agreements with State and local governments or nonprofit organizations to pay part of the cost of full- or part-time employment to enable young men and women, 16 to 21, to continue or resume their education or to increase their employability; would directly involve 200,000 young adults. Administered by Labor Department. Total cost, \$150 million.

Part C—Establishes a work-study program under which the Director of OEO would enter into agreements with institutions of higher learning to pay part of the cost of part-time employment for undergraduate or graduate students from low-income families to permit them to enter upon or continue college level education; would involve 140,000 youths the first year. Administered by Department of Health, Education, and Welfare. Total cost, \$72.5 million.

*Title II. Community Action Programs: \$340 million*

Part A—Authorizes the Director of OEO to pay up to 90 percent of the total costs of financing antipoverty programs planned and carried out at the community level. Programs will be administered by the communities and will mobilize all available resources and facilities in a coordinated attack on poverty. Total cost, \$315 million.

Part B—Authorizes the OEO Director to make grants to States to provide basic education and literacy training to adults. Administered by the Department of Health, Education, and Welfare. Total cost, \$25 million.

*Title III. Programs To Combat Poverty in Rural Areas: \$50 million*

Part A—Authorizes grants up to \$1,500 to very low-income rural families where such grants are likely to produce a permanent increase in the income of such families, and loans up to \$2,500 to finance non-agricultural, income-producing enterprises for the same purpose. The Director of OEO also may provide assistance to nonprofit corporations to acquire lands to be reconstituted into family farms, and may make loans to low-income family cooperatives. Administered by Department of Agriculture.

Part B—Sets up a program of assistance to establish and operate housing, sanitation, education, and child day-care programs for migrant farmworkers and their families.

*Title IV. Employment and Investment Incentives*

The OEO would be authorized to make, participate in, or guarantee loans to small businesses of up to \$25,000 on more liberal terms than is possible under the regular loan provisions of the Small Business Act; administered by the Small Business Administration; would use \$25 million of SBA's regular spending authority.

*Title V. Work-Experience Programs: \$150 million*

Authorizes the Director of OEO to transfer funds to HEW to pay costs of experimental, pilot, or demonstration projects designed to stimulate the adoption by the States of programs providing constructive work experience or training for unemployed fathers and needy persons.

*Title VI. Administration and Coordination: \$10 million*

Establishes position of Director of OEO, one Deputy Director and three Assistant Directors. Authorizes the Director of OEO to recruit and train VISTA volunteers to serve in specified mental health, migrant, Indian, and other federally-related programs including the Job Corps, as well as in State and community antipoverty programs.

*Title VII. Treatment of Unemployment Compensation and Income for Public Assistance Purposes*

A policy declaration that an individual's opportunity to participate in certain programs under this act should neither jeopardize, nor be jeopardized by, his receipt of unemployment compensation or public assistance.

#### BACKGROUND AND LEGISLATIVE HISTORY OF THE BILL AND THIS REPORT

In his State of the Union message to the Congress last January, President Johnson declared an "unconditional war on poverty in America," a war which, as he explained, was "not only to relieve the symptoms of poverty, but to cure it; and, above all, to prevent it." Subsequently, in the Economic Report of the President, he again described as a major objective of the administration the effectuation of Government programs designed to eliminate poverty. The budget submitted to the Congress on January 21, 1964, made provision for the "initiation of a new major effort to break the vicious cycle of chronic poverty." It contained requests for a number of appropriations, for specific programs, identified as parts of the antipoverty program, plus a specific request for an additional appropriation of \$500 million as an allowance for the attack on poverty. In the budget message President Johnson said, "I have provided over \$1 billion of new obligational authority to begin an all-out attack on the problem of poverty in the United States." The President's program to eliminate poverty was delineated and described in his message of March 16 to the Congress. The goal he pointed to was, "An America in which every citizen shares all the opportunities of his society, in which every man has a chance to advance his welfare to the limit of his capabilities."

The President's special message on poverty was accompanied by a recommended draft of the proposed Economic Opportunity Act. That proposal was introduced in the Senate by Senator McNamara, for himself and 35 others, on March 16, 1964, and became S. 2642.

The Select Subcommittee on Poverty of the Senate Committee on Labor and Public Welfare held hearings on June 17, 18, 23, and 25. It should be recognized that various portions of S. 2642, as reported by this committee, have been the subject of hearings and investigations of various subcommittees of this committee throughout the major part of the last decade.



Parts A and B of title I, the Job Corps and the work-training programs, respectively, are quite similar to the Youth Employment Act (S. 1) on which 6 days of hearings were held February and March of 1963. The hearings on the amendments to the Manpower Development and Training Act, S. 1831, in July 1963, and the juvenile delinquency hearings on S. 1967 in August of that year supplied additional information and background material for this committee.

The work-study program, title I-C of the reported bill, and the adult education program, title II-B, are closely related to elements of the omnibus education bill introduced in behalf of the administration in January 1963. Some 17 days of hearings were conducted by the Education Subcommittee on that measure, S. 580. Five additional days of hearings were held on S. 2490, introduced by Senator Hartke, which contained a work-study program similar to the one contained in this bill.

The Migratory Labor Subcommittee of this committee conducted a total of 9 days of hearings during this Congress on S. 521 (education of migrants), S. 522 (day care of children), and S. 526 (sanitation), which authorized programs similar to those contained in part B of title III of this act. Nine days of hearings were held in this Congress on S. 1321, the National Service Corps Act, by the Migratory Labor Subcommittee. The National Service Corps program was similar in many respects to the VISTA volunteer program in title VI of this bill.

Extensive, valuable and useful information was available to the committee in the nine volumes of exploratory hearings on the Nation's manpower revolution, published by the Subcommittee on Employment and Manpower.

It may be worthy of note that the Senate passed the Youth Employment Act, S. 1, on April 10, 1963; S. 521 on June 10, 1963; S. 522 on June 10, 1963; S. 526 on June 10, 1963; and S. 1321 on August 14, 1963.

The committee requested and received reports, all favorable, from the following executive departments and agencies: Department of Commerce, Department of Agriculture, Department of the Treasury, Department of Defense, Department of the Interior, Department of Labor, and the Bureau of the Budget. There follows the report of the Bureau of the Budget:

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
*Washington, D.C., June 30, 1964.*

HON. LISTER HILL,  
*Chairman, Committee on Labor and Public Welfare,  
New Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your letter of March 26, 1964, requesting the views of the Bureau of the Budget on S. 2642, to mobilize the human and financial resources of the Nation to combat poverty in the United States.

This legislation has been requested by the President in proclaiming a war against poverty throughout the Nation, and it represents the coordinated planning efforts of the executive branch. The \$962.5 million estimated first-year costs under this legislation are provided for in the President's budget.

The bill establishes the means by which Federal, State, and local resources can be organized to attack the variety of mutually reen-

forcing causes of poverty. Particularly under title II communities throughout the Nation will be enabled to bring all their resources to bear on the causes of human deprivation in a balanced and integrated attack.

The Bureau of the Budget recommends the earliest possible enactment of the Economic Opportunity Act of 1964.

Sincerely yours,

PHILLIP S. HUGHES,  
*Assistant Director for Legislative Reference.*

On June 30, 1964, the Select Subcommittee on Poverty reported S. 2642 to the full Committee on Labor and Public Welfare, which favorably reported it to the Senate.

### POVERTY IN THESE UNITED STATES

Poverty has been the historic companion, the constant foe of man. Want, deprivation, and need have, in most times and places, been the normal condition of most human beings. The majority of mankind even today is constantly concerned with day-to-day survival—a roof over their heads, where the next meal is coming from.

Poverty is not, however, the inevitable fate of man. This Nation and its history is proof of that. We have come to enjoy a prosperity, a general economic well-being, unsurpassed by any nation in the history of the world. Our economy has been characterized by continued technological advance, rising productivity and constant, if occasionally interrupted, economic growth. Most of our people have shared in our increasing affluence and the incidence of poverty has steadily been reduced.

Each generation in America has forged new weapons in the public and private fight against poverty. We have developed social insurance programs—workmen's compensation, unemployment compensation, old-age, survivors and disability insurance, veterans' benefits and numerous public assistance programs—and private transfer programs—pension plans, supplementary unemployment benefits and private charities. This network of private and social insurance has been of great effect in eroding mass poverty in America. Universal education has been perhaps the greatest single force. In each succeeding generation a smaller proportion of our people have been poor.

But the process has been far too slow. There are still millions of Americans—one-fifth of our people—who have not shared in the abundance which has been granted to most of us, and on whom the gates of opportunity have been closed.

There were 47 million families in the United States in 1962. Fully 9.3 million, or one-fifth of these families—comprising more than 30 million persons—had total money incomes below \$3,000. Over 11 million of these family members were children, one-sixth of our youth. More than 1.1 million families are now raising 4 or more children on such an income. Moreover, 5.4 million families, containing more than 17 million persons, had total incomes below \$2,000. More than a million children were being raised in very large families (six or more children) with incomes of less than \$2,000.

In the 1964 Annual Report of the Council of Economic Advisers, the landmarks of poverty in America were described as follows:

One-fifth of our families and nearly one-fifth of our total population are poor.



Of the poor, 22 percent are nonwhite; and nearly one-half of all nonwhite live in poverty.

The heads of over 60 percent of all poor families have only grade school educations.

Even for those denied opportunity by discrimination, education significantly raises the chance to escape from poverty. Of all nonwhite families headed by a person with 8 years or less of schooling, 57 percent are poor. This percentage falls to 30 for high school graduates and to 18 percent for those with some college education.

But education does not remove the effects of discrimination: when nonwhites are compared with whites at the same level of education, the nonwhites are poor about twice as often.

One-third of all poor families are headed by a person over 65, and almost one-half of families headed by such a person are poor.

Of the poor, 54 percent live in cities, 16 percent on farms, 30 percent are rural nonfarm residents.

Over 40 percent of all farm families are poor. More than 80 percent of nonwhite farmers live in poverty.

Less than half of the poor are in the South; yet a southerner's chance of being poor is roughly twice that of a person living in the rest of the country.

One-quarter of poor families are headed by a woman; but nearly one-half of all families headed by a woman are poor.

When a family and its head have several characteristics frequently associated with poverty, the chances of being poor are particularly high: a family headed by a young woman who is nonwhite and has less than an eighth grade education is poor in 94 out of 100 cases. Even if she is white, the chances are 85 out of 100 that she and her children will be poor.

If the incidence of poverty is shrinking, its existence is nonetheless pervasive. We may think of poverty as existing in specific geographic areas—the “cutover” area of the Midwest North, the hills of Appalachia, the Mississippi Delta, or areas of the Southwest—the poor however are to be found in every State and in nearly every community of any significant size. And poverty affects all kinds, the young and old, disabled and able-bodied, white and nonwhite, Anglo-Saxon and ethnic minority. The poor suffer their condition in the city and on the land.

And what does poverty mean to those who endure it? It means a daily struggle to get the bare necessities of a meager existence. It means that the abundance, the comforts, and the opportunities that they see all around them are beyond their grasp. It means living in a world scarcely recognizable and rarely seen by the majority of their fellow Americans. “The other America” is a world apart, inhabited by people isolated from the mainstream of American life, unfamiliar with its values and unprepared for its opportunities. Worst of all, it means hopelessness for the young, for poverty breeds poverty, and the poor are most likely to remain poor.

Low incomes carry with them high risks of illness, limitations on mobility, limited access to education, information, and training. Poor parents cannot give their children the opportunities for better health and education needed to improve their lot. Lack of motivation, hope and incentive is a more subtle but no less powerful barrier than lack of financial means. Thus, the cruel legacy of poverty is passed from parents to children. The youngster growing up without

a decent education in a broken home, in a hostile and squalid environment, in ill health, is likely to be trapped, not because of innate deficiencies of character or intelligence, but because he does not have the skills demanded by a complex society, nor the opportunity to acquire those skills. Most often he is driven to a mounting sense of despair which drains initiative, ambition, and energy.

Poverty in America can be expected to diminish in the future as it has in the past. We will certainly continue to enjoy economic growth and an increase in our general well-being. Doing nothing more than we have been, we can anticipate a steady reduction in the incidence of poverty. To fail to do more, however, would condemn substantial millions of our citizens to continue leading a life of deprivation and dependency for decades to come.

And let it be said that even America, with its affluence, its technical know-how, its productive capacity, and its wealth will not be able to eliminate poverty in a few months or a few years. Poverty is deeply rooted and its causes are many. But we can do something, and the relative wealth and abundance which most of us enjoy place a special burden of responsibility on us to the distressed and the disinherited, the hungry and the hopeless of this Nation. It is toward the assumption of that responsibility that S. 2642 is directed.

As President Johnson said in his poverty message: "The Congress is charged by the Constitution to 'provide \* \* \* for the general welfare of the United States.' Our present abundance is a measure of its success in fulfilling that duty. Now Congress is being asked to extend that welfare to all our people."

S. 2642 is a beginning, but it is more than a beginning. It is a commitment by the Congress and by the Nation to dedicate themselves to the elimination of deprivation and dependency in this land. The seven titles of this bill encompass a variety of programs, each directed toward the solution of the problems of the poor. It should be emphasized, however, that the total of these programs can be expected to be more than the sum of their individual parts.

The central core of the poverty program is the community action program, which relies upon the traditional and time-tested American methods of organized local community action to help individuals, families, and whole communities to help themselves. Each of the other programs authorized by this bill will contribute to and reinforce the efforts of the community to strike at poverty at its source. Similarly, there is provision in the bill for the utilization and coordination of all other Federal programs related to the war on poverty, so that they also may contribute to and reinforce the efforts of State and local governments, private agencies, and individual citizens.

The war on poverty is not an effort simply to support people, to make them dependent upon the generosity of others; it is designed to give them a chance to help themselves. The weapons of this war are directed not at the symptoms but at the causes of poverty. This bill seeks not merely to ameliorate and alleviate—it seeks to prevent and to rehabilitate.

It has been said that the poor are no one's responsibility. This legislation establishes in the Office of the Director of Economic Opportunity someone whose special responsibility is the poor. It will be his special function to coordinate the programs authorized under this bill, to see that these programs, and other Federal programs related to the war on poverty augment and reinforce the efforts of the individual communities in the war on poverty.



DISCUSSION OF PROVISIONS OF THE BILL AND NEED FOR  
THE PROGRAMS AUTHORIZED

## TITLE I. YOUTH PROGRAMS

The economic and social condition of the youth of America is a subject which has been thoroughly explored in hearings held by various subcommittees of this committee throughout the larger part of this decade. In addition to the hearings on the reported bill, the most recent investigations into this general area were made during hearings on a number of bills introduced during this Congress covering various aspects of this subject, such as the Youth Employment bill (S. 1) in February and March of 1963, the Manpower Development and Training Act Amendments (S. 1831) in July of 1963, and the Juvenile Delinquency and Youth Offenses Control Act Amendments (S. 1967) in August of 1963. Additional material on the subject was developed during the course of the extended hearings on the manpower revolution before the Subcommittee on Employment and Manpower concluded last December.

The mass of evidence and data accumulated by the committee in these proceedings established beyond question that the problem confronting the Nation's youth, characterized by the continued high levels of the school dropout rate and the alarming trends with respect to youth employment and juvenile delinquency, is one of the most critical of this decade.

Although unemployment has declined in the past few months to its lowest point since 1960, corresponding trends in teenage unemployment are not discernible. The teenage unemployment rate remains at inordinately high levels, approximating almost three times the average for the entire labor force.

Not to be obscured by these statistics is the hard fact of almost 1 million youngsters between the ages of 16-21, out of school and out of work, who are in need of help of many kinds. More than one-half of these young men and young women are high school dropouts and most are unprepared for the demands of today's labor market. A substantial number of them have abandoned the search for jobs altogether and appear to be completely adrift.

Added to this is the crushing fact that one-third of our young men fail to qualify for military service because of mental or physical defects and correspondingly are ill equipped for useful employment.

Results of a 6-month test in New York City completed a few months ago established that one out of every two young men examined in that area under the Selective Service Act fell short of the physical or educational standards of the Armed Forces; one out of four was below the seventh and eighth grade educational levels and one out of six was below the fifth grade, the minimal level for induction.

Most significantly, a large percentage of these out-of-school, out-of-work youngsters are the products of impoverished homes, inadequate schools, and depressed neighborhoods. The parents of these deprived and disadvantaged young men and young women are themselves descended from generations of poverty. Of some 3 million children and families receiving public assistance in 1961 under ADC programs, 40 percent were descended from grandparents who received similar aid.

Eleven and a half million young persons under the age of 18 during the year 1962 were members of families with incomes from all sources of less than \$3,000, and at least 50 percent of these families fell below the \$1,800-income level. Two-thirds of the heads of these impoverished families have had no more than an elementary education of 8 years or less. Two out of five of these families are headed by persons who are not in the work force.

The Secretary of Labor, Willard Wirtz, estimated that more than one-quarter of a million of the young men and women from this group are added to the human waste heap every year. He stated that his estimate was based "on school dropouts, increasing juvenile delinquency, illegitimate births and narcotic addiction rates, unemployment rates—the cruelest statistics in the world" and added that his estimate of the extent of this wreckage "is, if anything, low."

The appalling conditions confronting this submerged sector of the youth population are brought into sharp relief against the backdrop of dramatic changes and advances which are taking place throughout the economy. The low-end, dead-end occupational classifications, which might possibly be available to some part of this culturally and educationally deprived group, are disappearing altogether.

The need to provide these youngsters with an opportunity to break through their poverty cycle and to find their way into useful adult citizenship is clear and convincing.

The Job Corps and the work training programs specified in parts A and B of title I are substantially like those contained in S. 1 which the Senate passed in April of last year. The S. 1 programs have been integrated into the general plan developed by the reported bill to attack the problem of poverty on a broad range and have been reshaped and remodeled to fit into and reinforce the overall plan. There is agreement among the witnesses who appeared in these hearings on each of these bills that these programs will provide these young men and women with the opportunity to break out of the poverty cycle. Their collective experience satisfied them that the programs represented the best approach available at this time to equip these young people with the occupational techniques and work experience that will give them a reasonable start toward a productive life.

### *The Job Corps*

Part A of title I authorizes the establishment of a Job Corps which will offer to tens of thousands of young men and women an opportunity to develop the basic occupational equipment as well as the motivation which they so desperately need if they are to escape from their heritage of poverty. The experience to be gained from voluntary participation in the Job Corps, in an entirely new environment of education, training, and work, should prepare these youngsters for adult responsibilities as useful and contributing members of their community.

The Job Corps is aimed directly at that segment of the Nation's youth whose future appears to be the most bleak. These are the young men and women within the 16-21 age group who want and need a complete change in their environmental pattern in order to develop their potential skills and talents. The standards for selection of applicants for enrollment in the corps will be prescribed by the Director. The bill contemplates that most of the enrollees will be



individuals who have not completed their elementary and secondary education, but there is provision for inclusion of high school graduates in exceptional cases, including the selective service rejectee who, although he has technically completed his high school education, nonetheless fails to meet the physical or educational requirements of the Armed Forces. The bill also provides that no individual will be accepted for enrollment unless the local school authorities have indicated that further school attendance in any regular academic, vocational, or training program would not be practicable in his case considering all the circumstances at the time of his enrollment.

Members of the Job Corps will be assigned either to conservation camps on Federal land, such as the lands administered by the Forest Service, Bureau of Land Management, National Park Service, and the Bureau of Indian Affairs or by agreement with the State or local agencies on State or local government managed land, for work on conservation projects to improve natural resources and outdoor recreational facilities; or to large training centers where the emphasis will be on vocational training and basic educational improvement for preparation for permanent employment.

It is expected that the conservation camps will be sufficiently large to accommodate a corps of 100 to 200 young men who will be given an opportunity to experience an out-of-doors life of work and education and at the same time to make an important contribution to the Nation's parks, recreational areas, forests, and other natural resources.

The training centers will generally be larger. Government facilities no longer needed for their original purposes will be available to the Job Corps for this purpose.

The young women enrolled in the corps will live in separate smaller centers. Since the success of the corps depends upon voluntary participation by the enrollees and upon the selection of applicants most in need of, most anxious for, and most likely to benefit from the experience which is offered to them, the committee recommends that maximum flexibility be provided in determining the number of centers which will be established for young women as well as those established for young men.

The enrollees in the conservation camps will work together in small supervised groups under adult supervision. They will work under the direction of experienced members of the conservation agencies, such as the Forest Service and Park Service, Bureau of Indian Affairs, the Bureaus of Land Management, Reclamation, and Sport Fisheries and Wildlife and similar State agencies.

These youngsters will be employed in a great variety of tasks, including work on soil and water development, timber stand improvement, range resource development, recreational facilities, wildlife habitat improvement, insect and disease control, fire protection, road and trail development, and boundary surveys and marking. This work may involve bridge building and maintenance fencing, range seeding, brush control, weed eradication, building and levee maintenance, gully control, tree planting, historical and archeological projects, and biological work in soil and land development.

Their work experience will include basic horticulture, basic surveying, forest technician skills, weed and pest control, farm skills, fencing construction, basic carpentry, basic masonry, wildlife aid skills, forestry aid skills, elementary entomology, truck driving, general

and special equipment operation and maintenance, fire control and fire prevention skills, cooking, typing, and recordkeeping.

The education program in the conservation camps will be designed to answer the needs of these young people, to enable them to qualify for further general education or for vocational or occupational training under various available programs. Supplemental educational and training facilities may be provided through arrangements with local authorities. Available instructional materials suitable to the education program will be extensively used and new materials designed especially for this purpose will be developed.

The programs will be divided between work, education, and training in a well-balanced schedule conforming to the purposes and objectives of this part of title I.

Camp recreation will include hobbies and sports, designed to stimulate group participation and cooperation within the disciplines which usually govern these activities.

Access to religious services will be provided for enrollees of all faiths. Evaluation, counseling, and guidance services will be available to direct the youngsters through their job corps experience into further education or training or into private employment. Dropouts will be encouraged to resume school and high school graduates will be encouraged to continue with higher education, where indicated. Job referral services will be available.

The program at the Job Corps training center will consist of a combination of general education, training, useful work, physical training and recreation, group and individual activities designed to maximize the opportunities for the enrollees to identify and develop their talents and skills.

Vocational training and basic education will consume most of the day in the training center. It is contemplated that the training courses will relate to occupations where the employment outlook is favorable and where the occupational requirements are within the capability of the enrollee. The skills to be taught may vary from center to center, and within each occupational group, trades requiring several levels of ability may be taught. Where possible, each occupational group will be placed in a facility which is particularly suitable. An automotive center might be situated in a former armored division camp which has extensive automotive equipment, and a machinery center might be established at an unused Army arsenal.

Basic education courses will be emphasized in the training center particularly for those of the enrollees whose achievement level is below the standard required for employment.

As in the conservation camps, health training, recreation, and counseling will also play an important role and access to religious services will be provided for enrollees of all faiths.

The bill authorizes the Director to enter into agreements with the States, providing financial and technical assistance, to State-operated youth camp programs. Such State-operated youth camp programs will be coordinated with and serve the purposes of the Federal Job Corps program without duplication of facilities. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative and administrative costs of these State programs.

Nothing in this part or in any other part or title of this bill authorizes the assignment of enrollees or volunteers in any work program to



direct construction work historically and customarily performed by mechanics or laborers employed by contractors or subcontractors under Government contract subject to applicable provisions of the Davis-Bacon Act, as amended.

#### *Work training programs*

The program in title I, part B, will offer young men and women from impoverished families and neighborhoods a work and training experience in order to prepare them directly for regular jobs or to enable them to complete their schooling. The program will also give these youths an opportunity to contribute important services and facilities to their own communities and thereby help others while acquiring useful work skills and experience.

The programs contemplated would offer opportunities for work experience in meaningful tasks done in the public interest. It is the purpose of this program to introduce the young man or woman into work which can and should benefit both the trainee and the community. This joinder of youngster and job opportunity, coupled with continued education, occupational training, personal guidance, and counseling, will point these young people in the direction of permanent useful employment.

Work training programs under this part are available to young men and women within the 16 to 21 age group. It is estimated that opportunities to participate will be available to approximately 200,000 men and women during the first year of the program, part of whom will be employed full time, a larger part half time, and about one-half for 25 percent of the time throughout the year.

Programs under this part will be developed with the assistance and cooperation of the Director by the agencies of State, county, and local governments, as well as by private, nonprofit agencies. Included among the types of programs eligible for development and approval are those in the conservation and recreation field at the State, county, or local level.

The bill authorizes the Director to approve any employment program which is consistent with the objectives and purposes of the act and which satisfies various standards specified in the bill. The program must provide work experience and occupational training which will increase the employability of the enrollee. It must contribute to an undertaking or service in the public interest that would not otherwise be provided or must contribute to the conservation, development, or management of the natural resources and recreation areas of the State or community. It must not result in the displacement of employed workers and should to the maximum extent feasible, provide appropriate and reasonable rates of pay and other conditions of employment. The program must be coordinated with vocational training and educational services adapted to the special needs of enrollees in the program and must insure cooperation with local and other authorities to encourage students to resume or maintain school attendance.

The programs will emphasize assistance to youths who are in school but who may be compelled to drop out unless they can obtain part-time jobs.

Many youths will be enrolled who have already left school without first acquiring the experience, skills, and attitudes needed to bring stable employment within reach. The program will give these youths

an opportunity to establish a successful work record on jobs, and to acquire basic educational and vocational skills through training and remedial education.

Hours of work can vary in different programs. Part-time daily employment can be combined with school attendance. Full-time employment can be offered to those who plan to resume their education and to those who need to increase their employability through work experience. There can be weekend jobs for school students and summer jobs for those in or out of school.

The jobs created in this program will be adapted to the needs of enrolled youths. Training will be geared to their capacities and abilities and an initial work experience will be provided in fields which offer expanding job and occupational opportunities.

Some of the jobs will be in occupations which are newly emergent, such as attendants at child care centers, teachers' aides, or research aides. Others will be in occupations for which there is already strong demand, such as office workers, nurses' aids, cooks' assistants, auto mechanics, etc. Some will be in occupations related to neighborhood improvement projects, the development of recreation facilities, or the conservation of natural resources.

Individual work-training programs will be designed locally to meet the needs of a community and its disadvantaged youths. These needs are often multiple, and for this reason programs will normally provide a range of services to youths, including counseling, training and job placement as well as remedial education for youths who are behind their grade levels.

Public or private nonprofit agencies which have the means to deal effectively with impoverished youths will qualify as sponsors. These will include hospitals; schools; libraries; State, municipal, or county governments; settlement houses; State conservation departments; etc.

The Director of the Office of Economic Opportunity will be responsible for establishing, under the terms of the bill, the policies which will govern the operation and administration of the work-training program. However, it is anticipated that the Director will delegate responsibility for the day-to-day administration of the program to the Secretary of Labor. Field representatives of the Department of Labor will arrange for contracts with program sponsors who will conduct the actual work-training programs at local levels.

Preference will be given to those proposed work-training programs which are coordinated with an approved community action program. The committee emphasizes that application of this preference will be extremely important in achieving the Director's responsibility for coordinating and focusing the Nation's attack on poverty and its causes.

Assistance under part B of title I will be equitably distributed among the States by the Director in accordance with criteria developed by him, based upon such relevant factors as population, unemployment, and family income levels. The bill further provides that not more than 12½ percent of the sums appropriated or allocated for any fiscal year under this part will be used within any one State.

The Federal Government will initially provide 90 percent of the cost of programs, the sponsor 10 percent. The Federal contribution will be reduced to 50 percent of the cost of the program 2 years following the



enactment date or after June 30, 1966, whichever is later. A higher percentage may be provided in exceptional cases where necessary to achieve the purposes of the act.

There has been \$150 million allocated for the administration of this part of title I.

In the judgment of the committee the programs contemplated by part A and part B of title I can offer special opportunities to needy persons who are disabled or who have physical handicaps. Persons with impaired facilities, such as the deaf, who may not be handicapped in the true sense of the word, will be able to receive education, work experience, vocational training, and work training with as much benefit as unimpaired persons. Experience has shown that a large number of handicapped persons, particularly deaf persons, can be trained as teachers, craftsmen, laboratory technicians, bookkeepers, office machine operators, typists, printers, shoemakers, machinists, painters, woodworkers, mechanics, masons, lumber and sawmill workers, and in many other areas much too numerous to enumerate. The same principles should apply to the programs assisted under part A of title II.

#### *Work-study programs*

Title I, part C, authorizes the establishment of part-time work-study programs in colleges and universities for students from low-income families. This student employment program will be administered by the Office of Education in the Department of Health, Education, and Welfare and by participating colleges and universities. The Director of the Office of Economic Opportunity shall be responsible for establishing the policies governing such administration.

The program is designed—

- (1) To provide a financial assistance base for needy college and university students from low-income families through part-time employment opportunities;
- (2) To assist colleges and universities in broadening and expanding their on-campus work programs; and,
- (3) To aid colleges and universities in developing new off-campus employment through arrangements with public agencies and private nonprofit organizations directly involved with educational, recreational, welfare, social service, and other activities of public interest.

This program is directed at assisting those students, estimated by the Secretary of Health, Education, and Welfare in his testimony on page 213 of the hearings, to number between 140,000 and 150,000, who require the earnings from part-time work to enable them to continue their education. The typical institution of higher education is usually able to provide assistance only to the extremely gifted student, the top 2 or 3 percent of the high school graduating class. Loans, scholarships, and other aids are frequently not sufficient for the student who must be completely self-supporting. Many able students from poor families would be able to enter and complete college if they could obtain part-time work during the college year and full-time employment during the vacation period. Part C is designed to help such students to help themselves by providing such part-time jobs.

Each participating institution will be encouraged to develop two types of employment opportunities: on-campus employment in a wide variety of occupations, and off-campus employment under agreements with public or nonprofit organizations where the employment is either related to the student's educational objective or is in the public interest and would not otherwise be provided. On-campus employment for the institution could include such service activities as dormitory and plant maintenance, food service, and clerical work, as well as jobs which require some degree of training or skill, such as library indexing and cataloging, stenography, laboratory assistance, or accounting.

There is a wide range of potential off-campus jobs in such fields as education, recreation, health, social service, and community service, and the number of available jobs in these areas can be increased through college or university work-study arrangements. For example, students might work either directly with teachers or as special tutors for small groups of primary or secondary school students having difficulty in particular subject areas. They might function as youth workers, recreation leaders, and junior counselors. This work could be of particular value where the job has some relationship to the student's academic major. The college could help meet the financial needs of the student, the student could gain invaluable work experience, and the community could benefit from talented and highly motivated student assistance in a variety of service jobs.

Because of the limited resources traditionally available to colleges for student employment, expansion of off-campus job programs has been extremely slow. But, just as the NDEA student loan program stimulated student borrowing to meet college expenses, so the work-study program will give great impetus to this expansion. Further, these same students will make invaluable part-time aides, instructors, and workers in community action programs, the Job Corps, and similar activities proposed in other parts of this legislation. Students from deprived backgrounds have a special understanding of the problems faced by youth assisted in these programs. Their contributions will be particularly significant, also, because these same students, as mature upperclassmen, will represent positive proof that educational attainment can break the cycle of poverty.

The overall effectiveness of this portion of the attack on poverty will be enhanced through compliance with the requirement of section 211 of the act, that preference be given to work-study programs and activities which are coordinated with community action programs under title II. Not only will the work-study program provide a valuable source of personnel to do jobs required in a community action program, but it will also offer stimulation and incentive through the example of students who are themselves successfully surmounting the barriers presented by a background of poverty.

To encourage the development of off-campus programs, the bill permits an institution to use a portion of its grant to offset the administrative and supervisory expenses connected with such programs. Five percent of the Federal funds earmarked for off-campus employment may be so used.

To be eligible to participate in a work-study program, a student must be enrolled, or accepted for enrollment, in an institution of higher



education. He must come from a low-income family and be in need of financial assistance. The school, in determining the eligibility of students to participate in work-study programs, should consider all relevant factors to insure that emphasis is placed on helping those students in greatest need whose families can make no substantial contribution to the student educational expenses.

In order to make certain that part-time employment responsibilities do not interfere with the student's academic progress, the legislation provides that no student may be employed under the work-study program for more than 15 hours a week while his classes are in session. Full-time employment during vacation periods and summers under the work-study program may be desirable or necessary when the student has heavy financial needs and the compensation from term-time employment is not sufficient to meet his needs.

Institutions which may participate in this program include those colleges and universities providing education programs leading to a bachelor's degree, community and junior colleges with 2-year programs acceptable for full credit toward such a degree, and technical institutes offering 2-year programs in engineering, mathematics, and the physical and biological sciences designed to prepare students for work at the semiprofessional or technician level in the fields of engineering, science, and technology.

Each institution must agree to maintain annual expenditures for student employment at the same level as its average annual expenditures for such employment in the 3 years preceding the establishment of the work-study program.

Federal funds will be distributed among the States according to a three-factor formula: the full-time college enrollment, the number of high school graduates, and the number of children 18 years and under from families with annual incomes under \$3,000 in each State as compared to the national total. The table below presents the estimated State distribution of \$71,700,000 with 2 percent reserved for distribution to the outlying parts of the United States. Criteria will be established to achieve equitable distribution of assistance to participating institutions within each State.

## ECONOMIC OPPORTUNITY ACT OF 1964, PART C, TITLE I—WORK STUDY PROGRAM

*Estimates of distribution of \$71,700,000 with 2 percent reserved for distribution to the outlying parts*

| State                     | Total          | On basis of full-time college students enrolled | On basis of high school graduates | Number of children under 18 in families with income under \$3,000 |
|---------------------------|----------------|-------------------------------------------------|-----------------------------------|-------------------------------------------------------------------|
| Grand total.....          | \$71, 700, 000 | \$23, 900, 000                                  | \$23, 900, 000                    | \$23, 900, 000                                                    |
| Total.....                | 70, 266, 000   | 23, 422, 000                                    | 23, 422, 000                      | 23, 422, 000                                                      |
| Alabama.....              | 1, 716, 951    | 324, 279                                        | 404, 137                          | 988, 535                                                          |
| Alaska.....               | 53, 775        | 9, 504                                          | 19, 510                           | 24, 761                                                           |
| Arizona.....              | 611, 507       | 239, 809                                        | 185, 038                          | 186, 660                                                          |
| Arkansas.....             | 1, 055, 469    | 209, 939                                        | 236, 028                          | 609, 502                                                          |
| California.....           | 5, 809, 750    | 2, 446, 011                                     | 2, 253, 303                       | 1, 110, 436                                                       |
| Colorado.....             | 737, 359       | 327, 869                                        | 232, 354                          | 177, 136                                                          |
| Connecticut.....          | 748, 034       | 299, 150                                        | 336, 507                          | 112, 377                                                          |
| Delaware.....             | 143, 963       | 46, 047                                         | 57, 917                           | 39, 999                                                           |
| Florida.....              | 1, 873, 202    | 535, 684                                        | 558, 499                          | 779, 019                                                          |
| Georgia.....              | 1, 926, 678    | 390, 531                                        | 452, 377                          | 1, 083, 770                                                       |
| Hawaii.....               | 247, 874       | 82, 046                                         | 112, 497                          | 53, 331                                                           |
| Idaho.....                | 272, 011       | 92, 647                                         | 106, 986                          | 72, 378                                                           |
| Illinois.....             | 3, 169, 810    | 1, 167, 305                                     | 1, 236, 819                       | 765, 686                                                          |
| Indiana.....              | 1, 682, 425    | 675, 712                                        | 612, 442                          | 394, 271                                                          |
| Iowa.....                 | 1, 203, 831    | 448, 199                                        | 405, 169                          | 350, 463                                                          |
| Kansas.....               | 933, 763       | 384, 080                                        | 328, 739                          | 220, 944                                                          |
| Kentucky.....             | 1, 464, 578    | 333, 307                                        | 333, 205                          | 798, 066                                                          |
| Louisiana.....            | 1, 732, 678    | 428, 815                                        | 401, 039                          | 902, 324                                                          |
| Maine.....                | 342, 086       | 97, 142                                         | 130, 662                          | 114, 282                                                          |
| Maryland.....             | 1, 025, 401    | 331, 904                                        | 394, 460                          | 299, 037                                                          |
| Massachusetts.....        | 1, 870, 943    | 907, 498                                        | 692, 979                          | 270, 466                                                          |
| Michigan.....             | 2, 733, 109    | 1, 019, 191                                     | 1, 083, 465                       | 630, 453                                                          |
| Minnesota.....            | 1, 465, 634    | 571, 175                                        | 517, 336                          | 377, 129                                                          |
| Mississippi.....          | 1, 475, 646    | 278, 953                                        | 259, 584                          | 937, 109                                                          |
| Missouri.....             | 1, 728, 984    | 582, 958                                        | 561, 285                          | 584, 741                                                          |
| Montana.....              | 283, 175       | 107, 505                                        | 99, 482                           | 76, 188                                                           |
| Nebraska.....             | 616, 509       | 223, 417                                        | 200, 718                          | 192, 374                                                          |
| Nevada.....               | 80, 431        | 25, 474                                         | 35, 910                           | 19, 047                                                           |
| New Hampshire.....        | 212, 367       | 95, 393                                         | 78, 880                           | 38, 094                                                           |
| New Jersey.....           | 1, 553, 989    | 453, 584                                        | 784, 226                          | 316, 179                                                          |
| New Mexico.....           | 415, 312       | 120, 284                                        | 114, 082                          | 180, 946                                                          |
| New York.....             | 5, 085, 160    | 1, 898, 369                                     | 2, 064, 927                       | 1, 121, 864                                                       |
| North Carolina.....       | 2, 536, 967    | 592, 784                                        | 591, 852                          | 1, 352, 331                                                       |
| North Dakota.....         | 336, 631       | 113, 634                                        | 108, 715                          | 114, 282                                                          |
| Ohio.....                 | 3, 149, 790    | 1, 152, 124                                     | 1, 231, 980                       | 765, 686                                                          |
| Oklahoma.....             | 1, 118, 484    | 380, 774                                        | 324, 392                          | 413, 318                                                          |
| Oregon.....               | 714, 246       | 320, 896                                        | 267, 640                          | 125, 710                                                          |
| Pennsylvania.....         | 3, 705, 820    | 1, 236, 816                                     | 1, 522, 372                       | 946, 632                                                          |
| Rhode Island.....         | 296, 218       | 124, 457                                        | 103, 192                          | 68, 569                                                           |
| South Carolina.....       | 1, 360, 279    | 236, 940                                        | 300, 512                          | 822, 827                                                          |
| South Dakota.....         | 355, 295       | 109, 607                                        | 104, 741                          | 140, 947                                                          |
| Tennessee.....            | 1, 858, 717    | 462, 935                                        | 439, 627                          | 956, 155                                                          |
| Texas.....                | 4, 317, 727    | 1, 291, 677                                     | 1, 106, 121                       | 1, 919, 929                                                       |
| Utah.....                 | 479, 008       | 266, 434                                        | 145, 910                          | 66, 664                                                           |
| Vermont.....              | 184, 663       | 81, 417                                         | 57, 533                           | 45, 713                                                           |
| Virginia.....             | 1, 636, 483    | 390, 899                                        | 443, 709                          | 801, 875                                                          |
| Washington.....           | 1, 088, 613    | 471, 572                                        | 424, 667                          | 192, 374                                                          |
| West Virginia.....        | 878, 882       | 205, 690                                        | 244, 636                          | 428, 556                                                          |
| Wisconsin.....            | 1, 493, 608    | 575, 080                                        | 604, 254                          | 314, 274                                                          |
| Wyoming.....              | 125, 246       | 49, 016                                         | 45, 755                           | 30, 475                                                           |
| District of Columbia..... | 356, 919       | 205, 467                                        | 63, 836                           | 87, 616                                                           |
| 2 percent reserve.....    | 1, 434, 000    | 478, 000                                        | 478, 000                          | 478, 000                                                          |

Education is the key to the prison of poverty. This program is designed to allow capable students from impoverished families to break the poverty cycle. While this work-study program is designed specifically for young people from low-income families, it does not preempt the field of such academic assistance. It is the hope of the committee that complementary work-study programs contained in other student assistance legislation presently under consideration can also be enacted in this session for the benefit of those young students



who are in need of financial assistance to continue their education but whose family circumstances are such as to preclude assistance under this authority.

## TITLE II. URBAN AND RURAL COMMUNITY ACTION PROGRAMS

### GENERAL COMMUNITY ACTION PROGRAMS

Part A of title II authorizes assistance, both financial and technical, for communities conducting campaigns to reduce poverty. This approach has been adopted because, while poverty is a national concern, its varied causes and symptoms are best understood and best dealt with at the local level.

Communities will be encouraged and helped to develop individual programs aimed at the special problems of their own poor families. They will be encouraged to develop their own ideas, to commit their own resources, and to assume responsibility for initiating and carrying out programs suited to their own needs. The role of the Federal Government will be to give counsel and help, when requested, and to make available substantial assistance in meeting the costs of these programs.

Many communities have demonstrated a concern about the problems of poverty and a desire to do something about them. All too often, however, their initiative and efforts have been thwarted by inadequate resources or a lack of assistance in outlining ways in which to undertake the effort. With the support provided for in part A of title II, they will be able more effectively to put their ideas and resources to work.

The Director should encourage the development of programs in areas of poverty where there has been little or no previous effort.

The individual community will be encouraged to participate in a nationwide action, research, and demonstration program, backed by the interested resources of States and local governments and private organizations as well. Each community action program will afford experience in the operation of this program and will suggest new ways in which communities may attack the problems of poverty.

Differences in local programing are to be expected because of variations in the nature of the problems, the character of the populations, and the capacity of existing public and private organizations in the communities. Thus, as much flexibility as possible will be given communities and local organizations in developing their own programs. Naturally, programs developed in the large urban centers will differ from those of rural areas. These programs, in turn, will differ from those developed for Indian tribes and reservations, mountain hollows, small towns, and other places where the poverty-stricken live.

Section 202 establishes the basic criteria for a community action program. To be eligible for Federal assistance, there should be a showing that the program—

- (1) will mobilize and utilize public or private resources in an attack on poverty;
- (2) will provide activities of sufficient scope and size to give promise of progress toward the elimination of poverty or a cause or causes of poverty;

(3) is developed and will be conducted and administered with the maximum feasible participation of the residents of the areas, including the poor themselves; and

(4) will be conducted, administered, or coordinated by a public or nonprofit private agency, with maximum feasible participation of the public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

This part is designed to encourage communities to develop broad programs which will enhance employment opportunities, improve human performance, and better the conditions under which people live, learn, and work. The essential elements of a broad community effort will typically involve programs in the areas of employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other non-curricular educational assistance for the benefit of low-income individuals and families.

The range of programs and projects that may be undertaken by a community under this part is limited only by the needs of the area and the ingenuity of its leaders in developing practical and promising ideas.

Providing the programs they offer are consistent with the purpose of this part and available without discrimination throughout the community, it is expected the widest possible range of community organizations will participate. Citizens associations, social agencies and fraternal organizations, credit unions, youth and welfare organizations, chambers of commerce and business associations, educational and athletic groups are but a few of the many types of organizations that may have a contribution to make in the war against poverty.

The definition of a community will generally include areas which are a defined municipality or larger. In each case it is important that the limits of the community be defined to include geographical areas or concentrations of population which are of sufficient size to allow for the maximum utilization of human, physical, and financial resources. The area should, where possible, be one with common problems and interests. For purposes of this act, a community may be an entire State or a number of States.

The Director of the Office of Economic Opportunity will give the highest priority and maximum encouragement to coordinated community efforts providing a broad variety of services and assistance to attack the roots of poverty as it exists in a community. Of course, component programs of a coordinate community action program may receive financial assistance prior to the development of a full-scale program.

It is recognized that not all communities may be able to develop such coordinated community action organizations. Therefore, financial assistance to a public or private nonprofit agency for the execution of a program consisting of one or more individual projects which promise progress toward eliminating a cause or causes of poverty is also provided. However, the Director is expected to approve such individual-project programs only if there is evidence of coordination with related activities being carried on by other public and private nonprofit organizations, whether or not they are financed under the Economic Opportunity Act. It is to be hoped that such individual



projects will eventually become components of a broader community effort and that individual communities will see the desirability of making progress toward this objective.

As provided in section 211, agencies carrying out programs under other parts of this act will coordinate their activities with those of local community action organizations to assure community action programs of maximum effectiveness. Section 612 is designed to contribute to this objective by providing that Federal agencies shall give preference to applications for assistance under other programs which are elements of or coordinated with a community action program approved under this part.

Although it recognizes that effective community action will involve activities in a wide variety of fields, the committee wishes to direct attention to the programs of educational assistance authorized by this part. It is expected that virtually every community action plan will include a broad-scale attack on the special educational problems of the poor. Children from low-income areas or families often begin their formal schooling with substantial handicaps. As they continue through school, these handicaps become increasingly disabling. These handicaps derive from the fact that the children of poverty have not had the kind of exposure to their community and to the world that produces that curiosity to know and to learn which is so beneficial to children from less deprived surroundings. The child entering grammar school who has never had a story read to him, who has never been exposed to a magazine or a newspaper, much less a book, can be expected to have difficulties in school. There are substantial thousands of children in poor and illiterate families who don't know the names of common fruits and vegetables, whose vocabularies do not include the names of common colors. The children of the poor and the ignorant have pronounced language and communication problems. As a result, remedial programs should be made available for them. Reliance need not be placed upon any one type of program to eliminate these handicaps. Rather, efforts should be made to utilize and test all appropriate techniques and services and to develop new and better ones.

Under the language of this part, a balanced program of educational assistance might include, although it need not be limited to, the following:

- (1) Remedial programs that emphasize the correction of deficiencies in reading, grammar, spelling, or mathematics;
- (2) Field trips that expose children to experiences that are not part of their everyday lives;
- (3) Creation of, and assistance to preschool, day care, or nursery centers for 3- to 5-year-olds. This will provide an opportunity for a head start by canceling out deficiencies associated with poverty that are instrumental in school failure;
- (4) Tutoring programs utilizing specially trained individuals, senior high school students, and adults with basic academic skills to tutor students who are in need of educational assistance. Volunteers afford a substantial resource in such programs;
- (5) Preservice teacher training involving specialized work with personnel about to enter the teaching profession to provide an understanding of the growth and development problems of children from low-income backgrounds;

(6) Inservice training of teachers designed to make their efforts more effective for the child from low-income backgrounds; and

(7) Development of remedial material designed to be of assistance to children from low-income backgrounds. Much of the specialized material presently available is geared to children from middle-income and middle-class backgrounds.

These and other services can be employed, where appropriate, as part of a program broad enough in scope to offer solution to the complex problems of educational deprivation. Communities should seek to use all appropriate resources. Schools, universities and colleges, industry, business, civic and community groups, and other private and public agencies, and certainly the poor themselves should be included where their participation will add to the total effort.

Such special education programs would be open to all needy children. They would, in no case, involve sectarian instruction, religious worship or practice, or general aid to elementary or secondary schools.

There are several other important provisions in part A of title II. Section 204 authorizes the Director to make grants to or to contract with appropriate public or nonprofit private agencies, or combinations thereof, to pay part or all of the costs of development of community action programs. Section 206 provides for technical assistance to communities and for the training of specialized personnel needed in the development, conduct, or administration of such programs or to provide services or assistance thereunder. Section 207 authorizes the Director to use up to 15 percent of the funds allocated for the purposes of part A of title II to conduct or make grants to or contracts with institutions of higher education or other appropriate public agencies or private nonprofit organizations for research, training, or demonstrations pertaining to the purposes of the part.

Section 209 provides that the Director shall establish procedures which will facilitate effective participation of the States in community action programs. These procedures will include referral of applications for assistance to the Governor of each State affected, or his designee, for such comments as he may deem appropriate. Needless to say, such comments will be seriously considered by those administering this program. In addition, section 209 authorizes grants to or contracts with appropriate State agencies to pay the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

This part provides a formula for allocation of community action funds among the States. In addition to the funds to be used for the purposes of section 207, the Director will, from time to time, set aside funds for the provision of necessary technical assistance to communities and training of specialized personnel under section 206 and for grants to or contracts with State agencies pursuant to section 209. Of the remainder of the funds appropriated or allocated for part A, the Director will reserve from time to time the amounts needed for carrying out sections 204 and 205. These amounts shall be allotted as follows:

(1) Twenty percent will be allotted among the States as the Director shall determine.



(2) Not to exceed 2 percent will be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands, according to their respective needs.

(3) The remainder will be allocated to the States as follows:

(a) One-third on the basis of the number of public assistance recipients in a State as a percentage of the total number of such persons in all the States.

(b) One-third on the basis of the annual average number of persons unemployed in each State as a percentage of the annual average number of persons unemployed in all the States.

(c) One-third on the basis of the number of related children under 18 living in families with incomes of less than \$1,000 in each State as a percentage of the total number of such children in all the States.

Under the criteria set forth, each State would be allotted from the funds authorized to be appropriated for this part the amounts indicated in the following table:

*Estimated distribution of \$189,000,000<sup>1</sup> under pt. A of title II with  $\frac{1}{3}$  on the basis of public assistance recipients,  $\frac{1}{3}$  on the basis of unemployment, and  $\frac{1}{3}$  on the basis of the number of children under 18 in families with income of less than \$1,000*

|                                            | Total<br>estimated<br>State<br>amounts | Estimated State amounts on basis of—            |                                |                                                                            |
|--------------------------------------------|----------------------------------------|-------------------------------------------------|--------------------------------|----------------------------------------------------------------------------|
|                                            |                                        | Public<br>assistance<br>recipients <sup>2</sup> | Unemploy-<br>ment <sup>3</sup> | Children<br>under 18<br>in families<br>with income<br>less than<br>\$1,000 |
| United States and outlying parts.....      | \$189,000,000                          | \$63,000,000                                    | \$63,000,000                   | \$63,000,000                                                               |
| 50 States and the District of Columbia.... | 184,275,000                            | 61,425,000                                      | 61,425,000                     | 61,425,000                                                                 |
| Alabama.....                               | 5,631,578                              | 1,746,870                                       | 942,411                        | 2,942,297                                                                  |
| Alaska.....                                | 230,882                                | 57,260                                          | 100,973                        | 72,649                                                                     |
| Arizona.....                               | 1,488,687                              | 523,367                                         | 402,288                        | 563,032                                                                    |
| Arkansas.....                              | 2,877,542                              | 808,045                                         | 525,699                        | 1,543,798                                                                  |
| California.....                            | 16,535,518                             | 6,808,311                                       | 6,603,287                      | 3,123,920                                                                  |
| Colorado.....                              | 1,732,122                              | 830,893                                         | 501,658                        | 399,571                                                                    |
| Connecticut.....                           | 1,911,049                              | 712,768                                         | 889,521                        | 308,760                                                                    |
| Delaware.....                              | 350,100                                | 135,877                                         | 123,411                        | 90,812                                                                     |
| Florida.....                               | 4,991,716                              | 1,557,768                                       | 1,763,014                      | 1,670,934                                                                  |
| Georgia.....                               | 5,117,580                              | 1,520,789                                       | 1,017,740                      | 2,579,051                                                                  |
| Hawaii.....                                | 484,250                                | 148,225                                         | 190,726                        | 145,299                                                                    |
| Idaho.....                                 | 555,573                                | 159,715                                         | 232,397                        | 163,461                                                                    |
| Illinois.....                              | 8,647,771                              | 3,434,293                                       | 3,142,972                      | 2,070,506                                                                  |
| Indiana.....                               | 2,818,240                              | 591,613                                         | 1,227,699                      | 998,928                                                                    |
| Iowa.....                                  | 2,201,891                              | 705,582                                         | 479,219                        | 1,017,090                                                                  |
| Kansas.....                                | 1,566,544                              | 574,574                                         | 482,425                        | 508,545                                                                    |
| Kentucky.....                              | 4,442,850                              | 1,228,551                                       | 889,521                        | 2,324,778                                                                  |
| Louisiana.....                             | 5,279,221                              | 2,116,186                                       | 1,056,205                      | 2,106,830                                                                  |
| Maine.....                                 | 923,625                                | 373,910                                         | 331,767                        | 217,948                                                                    |
| Maryland.....                              | 2,388,947                              | 823,682                                         | 875,096                        | 690,169                                                                    |
| Massachusetts.....                         | 4,389,874                              | 1,586,224                                       | 2,131,644                      | 672,006                                                                    |
| Michigan.....                              | 6,542,833                              | 2,392,461                                       | 2,479,438                      | 1,670,934                                                                  |
| Minnesota.....                             | 3,261,757                              | 1,039,401                                       | 1,259,753                      | 962,603                                                                    |
| Mississippi.....                           | 5,226,997                              | 1,435,811                                       | 594,616                        | 3,196,570                                                                  |
| Missouri.....                              | 4,827,225                              | 1,964,898                                       | 1,391,178                      | 1,471,149                                                                  |
| Montana.....                               | 573,617                                | 181,502                                         | 192,329                        | 199,786                                                                    |
| Nebraska.....                              | 969,723                                | 244,263                                         | 307,726                        | 417,734                                                                    |
| Nevada.....                                | 234,587                                | 66,837                                          | 131,425                        | 36,325                                                                     |
| New Hampshire.....                         | 385,841                                | 121,933                                         | 173,096                        | 90,812                                                                     |
| New Jersey.....                            | 4,954,163                              | 1,343,289                                       | 2,739,082                      | 871,792                                                                    |
| New Mexico.....                            | 1,112,013                              | 373,205                                         | 248,425                        | 490,383                                                                    |
| New York.....                              | 15,324,476                             | 5,676,292                                       | 6,923,835                      | 2,724,349                                                                  |
| North Carolina.....                        | 6,730,949                              | 1,562,557                                       | 1,245,329                      | 3,923,063                                                                  |
| North Dakota.....                          | 606,758                                | 144,668                                         | 171,493                        | 290,597                                                                    |
| Ohio.....                                  | 8,053,333                              | 3,136,343                                       | 3,009,945                      | 1,907,045                                                                  |
| Oklahoma.....                              | 2,991,913                              | 1,386,605                                       | 697,192                        | 908,116                                                                    |
| Oregon.....                                | 1,295,170                              | 419,040                                         | 567,370                        | 308,760                                                                    |
| Pennsylvania.....                          | 11,430,501                             | 3,874,901                                       | 5,357,958                      | 2,197,642                                                                  |
| Rhode Island.....                          | 933,101                                | 326,219                                         | 407,096                        | 199,786                                                                    |
| South Carolina.....                        | 3,850,091                              | 582,401                                         | 652,315                        | 2,615,375                                                                  |
| South Dakota.....                          | 739,837                                | 164,503                                         | 139,438                        | 435,896                                                                    |
| Tennessee.....                             | 5,019,696                              | 1,212,946                                       | 1,227,699                      | 2,579,051                                                                  |
| Texas.....                                 | 10,089,259                             | 2,677,099                                       | 2,889,740                      | 4,522,420                                                                  |
| Utah.....                                  | 757,562                                | 315,224                                         | 278,877                        | 163,461                                                                    |
| Vermont.....                               | 342,194                                | 95,916                                          | 155,466                        | 90,812                                                                     |
| Virginia.....                              | 3,618,559                              | 594,441                                         | 790,151                        | 2,233,967                                                                  |
| Washington.....                            | 2,745,579                              | 1,210,742                                       | 1,062,616                      | 472,221                                                                    |
| West Virginia.....                         | 3,437,871                              | 1,274,314                                       | 910,356                        | 1,253,201                                                                  |
| Wisconsin.....                             | 2,611,588                              | 883,915                                         | 1,019,342                      | 708,331                                                                    |
| Wyoming.....                               | 269,565                                | 73,505                                          | 123,411                        | 72,649                                                                     |
| District of Columbia.....                  | 773,682                                | 205,266                                         | 368,630                        | 199,786                                                                    |
| Outlying parts <sup>4</sup> .....          | 4,725,000                              |                                                 |                                |                                                                            |

<sup>1</sup> \$315,000,000 minus 15 percent (\$47,250,000) for research and training (sec. 207), minus 10 percent (\$31,500,000) for technical assistance and training (secs. 206 and 209), and minus 20 percent of the balance (\$47,250,000) reserved for distribution by Director, Office of Economic Opportunity (sec. 203).

<sup>2</sup> Public assistance recipients, January 1964.

<sup>3</sup> Total unemployment, average 1963 (preliminary 11-month average). Data for Tennessee are for 1962.

<sup>4</sup> Estimate based on the assumption that there are an average of 5 children in families with 4 or more children as shown in PC-1-D series, 1960 census.

<sup>5</sup> American Samoa, Guam, Puerto Rico, Virgin Islands. Distribution to outlying parts, as a whole, represents 2 percent of the total distribution to the United States and outlying parts.



*Data used for estimated distribution of funds under pt. A of title II with  $\frac{1}{3}$  on the basis of public assistance recipients;  $\frac{1}{3}$  on the basis of unemployment; and  $\frac{1}{3}$  on the basis of the number of children under 18 in families with income of less than \$1,000*

| State                                       | Number of public assistance recipients, January 1964 | Total unemployment, 1963 preliminary data (11-month average) <sup>1</sup> (thousands) | Children under 18 in families with income of less than \$1,000 <sup>2</sup> (thousands) |
|---------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| (1)                                         | (2)                                                  | (3)                                                                                   | (4)                                                                                     |
| 50 States and the District of Columbia..... | 7, 581, 084                                          | 3, 832. 5                                                                             | 3, 382                                                                                  |
| Alabama.....                                | 215, 599                                             | 58. 8                                                                                 | 162                                                                                     |
| Alaska.....                                 | 7, 067                                               | 6. 3                                                                                  | 4                                                                                       |
| Arizona.....                                | 64, 594                                              | 25. 1                                                                                 | 31                                                                                      |
| Arkansas.....                               | 99, 729                                              | 32. 8                                                                                 | 85                                                                                      |
| California.....                             | 840, 283                                             | 412. 0                                                                                | 172                                                                                     |
| Colorado.....                               | 102, 549                                             | 31. 3                                                                                 | 22                                                                                      |
| Connecticut.....                            | 87, 970                                              | 55. 5                                                                                 | 17                                                                                      |
| Delaware.....                               | 16, 770                                              | 7. 7                                                                                  | 5                                                                                       |
| Florida.....                                | 192, 260                                             | 110. 0                                                                                | 92                                                                                      |
| Georgia.....                                | 187, 696                                             | 63. 5                                                                                 | 142                                                                                     |
| Hawaii.....                                 | 18, 294                                              | 11. 9                                                                                 | 8                                                                                       |
| Idaho.....                                  | 19, 712                                              | 14. 5                                                                                 | 9                                                                                       |
| Illinois.....                               | 423, 861                                             | 196. 1                                                                                | 114                                                                                     |
| Indiana.....                                | 73, 017                                              | 76. 6                                                                                 | 55                                                                                      |
| Iowa.....                                   | 87, 083                                              | 29. 9                                                                                 | 56                                                                                      |
| Kansas.....                                 | 70, 914                                              | 30. 1                                                                                 | 28                                                                                      |
| Kentucky.....                               | 151, 628                                             | 55. 5                                                                                 | 128                                                                                     |
| Louisiana.....                              | 261, 180                                             | 65. 9                                                                                 | 116                                                                                     |
| Maine.....                                  | 46, 148                                              | 20. 7                                                                                 | 12                                                                                      |
| Maryland.....                               | 101, 659                                             | 54. 6                                                                                 | 38                                                                                      |
| Massachusetts.....                          | 195, 772                                             | 133. 0                                                                                | 37                                                                                      |
| Michigan.....                               | 295, 278                                             | 154. 7                                                                                | 92                                                                                      |
| Minnesota.....                              | 128, 283                                             | 78. 6                                                                                 | 53                                                                                      |
| Mississippi.....                            | 177, 208                                             | 37. 1                                                                                 | 176                                                                                     |
| Missouri.....                               | 242, 508                                             | 86. 8                                                                                 | 81                                                                                      |
| Montana.....                                | 22, 401                                              | 12. 0                                                                                 | 11                                                                                      |
| Nebraska.....                               | 30, 147                                              | 19. 2                                                                                 | 23                                                                                      |
| Nevada.....                                 | 8, 249                                               | 8. 2                                                                                  | 2                                                                                       |
| New Hampshire.....                          | 15, 049                                              | 10. 8                                                                                 | 5                                                                                       |
| New Jersey.....                             | 165, 789                                             | 170. 9                                                                                | 48                                                                                      |
| New Mexico.....                             | 46, 061                                              | 15. 5                                                                                 | 27                                                                                      |
| New York.....                               | 700, 569                                             | 432. 0                                                                                | 150                                                                                     |
| North Carolina.....                         | 192, 851                                             | 77. 7                                                                                 | 216                                                                                     |
| North Dakota.....                           | 17, 855                                              | 10. 7                                                                                 | 16                                                                                      |
| Ohio.....                                   | 387, 088                                             | 187. 8                                                                                | 105                                                                                     |
| Oklahoma.....                               | 171, 135                                             | 43. 5                                                                                 | 50                                                                                      |
| Oregon.....                                 | 51, 718                                              | 35. 4                                                                                 | 17                                                                                      |
| Pennsylvania.....                           | 478, 241                                             | 334. 3                                                                                | 121                                                                                     |
| Rhode Island.....                           | 40, 262                                              | 25. 4                                                                                 | 11                                                                                      |
| South Carolina.....                         | 71, 880                                              | 40. 7                                                                                 | 144                                                                                     |
| South Dakota.....                           | 20, 303                                              | 8. 7                                                                                  | 24                                                                                      |
| Tennessee.....                              | 149, 702                                             | 76. 6                                                                                 | 142                                                                                     |
| Texas.....                                  | 330, 408                                             | 180. 3                                                                                | 249                                                                                     |
| Utah.....                                   | 38, 905                                              | 17. 4                                                                                 | 9                                                                                       |
| Vermont.....                                | 11, 838                                              | 9. 7                                                                                  | 5                                                                                       |
| Virginia.....                               | 73, 366                                              | 49. 3                                                                                 | 123                                                                                     |
| Washington.....                             | 149, 430                                             | 66. 3                                                                                 | 26                                                                                      |
| West Virginia.....                          | 157, 276                                             | 56. 8                                                                                 | 69                                                                                      |
| Wisconsin.....                              | 109, 093                                             | 63. 6                                                                                 | 39                                                                                      |
| Wyoming.....                                | 9, 072                                               | 7. 7                                                                                  | 4                                                                                       |
| District of Columbia.....                   | 25, 334                                              | 23. 0                                                                                 | 11                                                                                      |

<sup>1</sup> Data for Tennessee are for 1962. See p. 234, Manpower Report of the President, March 1964.

<sup>2</sup> Estimate based on the assumption that there are an average of 5 children in families with 4 or more children as shown in PC-1-D series.

*Adult basic education*

Part B of title II provides a program to assist the educationally deprived adult citizens of this country. It is designed to stimulate and to aid the development of programs of instruction for adults whose inability to read or write makes it difficult, and sometimes impossible, for them to get and keep a job.

There are in the United States almost 11.5 million people, 18 years of age or older, who have completed less than 6 years of schooling. Lacking the ability to read, to write, or to perform simple arithmetic—essential skills in the modern world—they are handicapped in the job market and in their private lives. They are often unemployed and, in an economy demanding constantly higher levels of skill, they are increasingly unemployable. Lacking the foundation of a basic education, they are unable to qualify for vocational training programs or apprenticeships. Their potential skills remain undeveloped. Their limited contribution to the national economy is reflected in their limited earnings. Both they and the Nation are the losers.

Limited earnings interrupted by recurrent and persistent joblessness lead to personal deprivation and dependence. The Nation pays the costs of adult illiteracy through public assistance, unemployment compensation, and through public and private charity. Since the ignorance, like the poverty, of the father is likely to be visited on the children, the costs are not only high, but they may also be continuing.

While adult education programs are familiar to many, courses for adults designed specifically to overcome basic deficiencies in reading, writing, and elementary mathematics, are not generally available except in a few of our larger cities. They are generally an outgrowth of programs designed to aid immigrants. State and local school systems, preoccupied with increasing populations of school-age children, have not pushed far enough into this field.

The program authorized in part B of title II is designed to assist them to do so. It authorizes the Director of the Office of Economic Opportunity to make grants to the States to be used to—

- (1) Assist local educational agencies in establishing pilot projects in adult education.
- (2) Assist with the actual costs of adult instruction.
- (3) Assist State education agencies to improve their technical and supervisory services to adult education.

The committee understands that \$25 million of the sum authorized for this title will be allocated to carry out this program. Allotments to the States will be made on the basis of the relative number of adults 18 and over within each State who have no more than a fifth-grade education, but with a minimum of \$50,000 for each State. Provision is made for reallocation of sums not required for carrying out a State plan. Not in excess of 2 percent of the funds available for this part may be allotted by the Director for meeting the respective needs for assistance of Puerto Rico, the Virgin Islands, Guam, and American Samoa.



There follows a table showing the estimated distribution of \$25 million among the States in accordance with the provisions of this part:

*Estimated distribution of \$25,000,000 under the adult basic education provisions of title II-B<sup>1</sup>*

|                                         | Estimated population 18 and over with less than 6 grades of school completed | Estimated State amounts |                           | Estimated population 18 and over with less than 6 grades of school completed | Estimated State amounts |
|-----------------------------------------|------------------------------------------------------------------------------|-------------------------|---------------------------|------------------------------------------------------------------------------|-------------------------|
| United States and outlying parts.....   |                                                                              | \$25,000,000            | Missouri.....             | 244,266                                                                      | 518,283                 |
| 50 States and District of Columbia..... | 11,472,732                                                                   | 24,500,000              | Montana.....              | 21,563                                                                       | 50,000                  |
| Alabama.....                            | 369,538                                                                      | 784,085                 | Nebraska.....             | 41,022                                                                       | 87,040                  |
| Alaska.....                             | 12,123                                                                       | 50,000                  | Nevada.....               | 8,012                                                                        | 50,000                  |
| Arizona.....                            | 93,587                                                                       | 198,573                 | New Hampshire.....        | 20,160                                                                       | 50,000                  |
| Arkansas.....                           | 202,170                                                                      | 428,964                 | New Jersey.....           | 363,811                                                                      | 771,934                 |
| California.....                         | 687,376                                                                      | 1,458,474               | New Mexico.....           | 71,915                                                                       | 152,589                 |
| Colorado.....                           | 59,262                                                                       | 125,742                 | New York.....             | 1,081,984                                                                    | 2,295,753               |
| Connecticut.....                        | 136,029                                                                      | 288,626                 | North Carolina.....       | 530,639                                                                      | 1,125,910               |
| Delaware.....                           | 21,229                                                                       | 50,000                  | North Dakota.....         | 26,136                                                                       | 55,455                  |
| Florida.....                            | 357,352                                                                      | 758,229                 | Ohio.....                 | 421,276                                                                      | 893,863                 |
| Georgia.....                            | 476,075                                                                      | 1,010,136               | Oklahoma.....             | 145,550                                                                      | 308,828                 |
| Hawaii.....                             | 51,426                                                                       | 109,116                 | Oregon.....               | 47,761                                                                       | 101,339                 |
| Idaho.....                              | 17,745                                                                       | 50,000                  | Pennsylvania.....         | 630,417                                                                      | 1,337,619               |
| Illinois.....                           | 517,183                                                                      | 1,097,359               | Rhode Island.....         | 48,727                                                                       | 103,389                 |
| Indiana.....                            | 178,192                                                                      | 378,088                 | South Carolina.....       | 318,568                                                                      | 675,937                 |
| Iowa.....                               | 70,074                                                                       | 148,683                 | South Dakota.....         | 21,947                                                                       | 50,000                  |
| Kansas.....                             | 61,058                                                                       | 129,553                 | Tennessee.....            | 384,621                                                                      | 816,089                 |
| Kentucky.....                           | 308,090                                                                      | 653,705                 | Texas.....                | 914,439                                                                      | 1,940,256               |
| Louisiana.....                          | 443,389                                                                      | 940,783                 | Utah.....                 | 17,551                                                                       | 50,000                  |
| Maine.....                              | 35,010                                                                       | 74,284                  | Vermont.....              | 11,886                                                                       | 50,000                  |
| Maryland.....                           | 196,031                                                                      | 415,938                 | Virginia.....             | 392,678                                                                      | 833,184                 |
| Massachusetts.....                      | 247,132                                                                      | 524,364                 | Washington.....           | 78,304                                                                       | 166,145                 |
| Michigan.....                           | 339,026                                                                      | 719,345                 | West Virginia.....        | 151,204                                                                      | 320,825                 |
| Minnesota.....                          | 98,952                                                                       | 209,956                 | Wisconsin.....            | 168,461                                                                      | 357,440                 |
| Mississippi.....                        | 278,065                                                                      | 589,998                 | Wyoming.....              | 9,361                                                                        | 50,000                  |
|                                         |                                                                              |                         | District of Columbia..... | 44,359                                                                       | 94,121                  |
|                                         |                                                                              |                         | Outlying parts.....       |                                                                              | 500,000                 |
|                                         |                                                                              |                         | American Samoa.....       |                                                                              |                         |
|                                         |                                                                              |                         | Guam.....                 |                                                                              |                         |
|                                         |                                                                              |                         | Puerto Rico.....          |                                                                              |                         |
|                                         |                                                                              |                         | Virgin Islands.....       |                                                                              |                         |

<sup>1</sup> Distribution based on the estimated population aged 18 and over with less than 6 grades of school completed, with a minimum of \$50,000 to each of the 50 States and District of Columbia, and 2 percent (\$500,000) reserved for distribution to the outlying parts.

The bill provides for administration of the program by the appropriate State educational agency under a program plan approved by the Director, to assure that the funds are expended in furtherance of the purposes of the bill. Any State plan may be approved which—

(1) provides for administration by the State educational agency;

(2) provides for reports to enable the Director to carry out his duties under the part;

(3) provides for fiscal control and fund accounting procedures of the Federal funds paid to the State;

(4) provides for cooperative arrangement between the State educational agency and the State health authority designed to benefit the adult enrollees; and

(5) sets forth a program which affords assurance of substantial progress toward raising the level of education of adults and toward the elimination of the inability of adults to read and write English.

The bill provides for judicial review of any action on the part of the Director in failing to approve a plan or for withholding funds to a State. These provisions are similar to those in the National Defense Education Act and are identical to those in the Vocational Education Act of 1963.

The committee understands that the Director expects to delegate authority for the administration of this program to the Secretary of Health, Education, and Welfare, who will in turn assign responsibility for its day-to-day administration to the Commissioner of Education. The Director of the Office of Economic Opportunity will, however, exercise continuing responsibility for establishing the policies which govern its administration.

The committee intends that those responsible for the administration of this part as well as the State educational agencies will take steps to insure that the basic education programs supported hereunder are coordinated with community action programs approved under part A of this title. Each State plan approved by the Director of the Office of Economic Opportunity should include appropriate provision for such coordination. The periodic reports to be submitted by such State agencies pursuant to section 214(a)(2) should include information which will permit the Director to carry out his responsibilities under the act for coordination of all antipoverty efforts operated or supported by Federal funds.

### TITLE III. SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

#### GRANTS AND LOANS TO COMBAT POVERTY IN RURAL AREAS

Part A of title III will provide special assistance for poverty-stricken rural families who have shared little, if at all, in the benefits of programs aimed at improving rural income and the home and community environment of the rural family.

An estimated 500,000 or more farm families living at poverty levels are now unable to obtain loans from Farmers Home Administration (FHA), the Department of Agriculture agency which provides supervised credit for farmers who cannot utilize normal credit sources. These families are so poor and their farming operations so inadequate that they presently have no debt-paying ability. They are, therefore, unable to satisfy the eligibility requirements established by law for a Farmers Home Administration loan.

The overwhelming majority of these farm families are headed by an individual who is too old, too poorly educated, or too handicapped in other ways to make the transition to a nonfarm occupation or to a new environment. Denied the assistance of the one Federal agency that might help them, unable to obtain capital for needed farm expansion through regular channels, "boxed in" by the handicaps of age, lack of education or a physical disability, these families, totaling some 2.5 million individuals, are among the most forgotten of all the Nation's poor.

Part A of title III is designed specifically to supplement the successful Farmers Home Administration program of supervised credit so as to reach the poorest rural families. The committee understands that the Director of the Office of Economic Opportunity expects to delegate authority for day-to-day administration of this part to the Secretary



of Agriculture, who in turn will assign responsibility to Farmers Home Administration. The Director, however, will be responsible for establishing policies which shall govern the administration of this program and for coordinating this program with the others authorized by this act.

FHA has 1,500 field offices serving all farming counties in the Nation, plus 43 State offices. County supervisors in charge of the agency's field offices, are responsible not only for the administration of loans and housing grants but also for a program of management assistance to all FHA borrowers. All loans are closely supervised, with the aim of upgrading the farming operations and managerial ability of the borrower.

However, to be eligible for FHA assistance, the borrower must already have, or be in a position to develop, some debt-paying ability by utilizing available resources and resources generated by the agency's credit. More specifically, a borrower under an operating loan must have income sufficient to pay necessary farm operating and family living expenses not provided for in the loan, meet the required payments on the operating loan, and make the required payments on other indebtedness after any necessary debt adjustments.

Large numbers of farmers operating the smallest and poorest farming units and without other employment simply are not in a farming or financial position to meet such standards. Capital for new and better livestock, farm building repairs, fertilizer, seed, pesticides, items of equipment, machinery, and small purchases of additional land is therefore unavailable to these farmers from any source.

Section 302(a)(1) authorizes grants of up to \$1,500 to low-income rural families, like the poverty-stricken, "boxed-in" farm families described above. Grants could be used to acquire or improve real estate, reduce encumbrances, operate or improve the operations of farms, purchase memberships or otherwise participate in co-operatives, and finance nonagricultural enterprises to supplement family income. Such grants can be made only where they have a reasonable possibility of effecting a permanent increase in the income of the grantees. The bill provides that no one family unit would receive more than \$1,500 in total grants under this part. However, where otherwise consistent with the purposes of this part, it is the committee's intention that this total should be made available through more than one advance. Thus, a family receiving a grant of \$300 to improve the operation of their farm, might at a later time secure an additional grant of up to \$1,200 to further improve the operation of the farm, or to acquire a small additional acreage that may have become available in the meantime.

Section 302 also authorizes loans of up to \$2,500 to eligible rural families for financing nonagricultural enterprises that supplement family income. It is not always practical to try to increase or maintain a family's earning capacity through agricultural operations alone, particularly if they cannot acquire additional land and other resources. A small nonagricultural enterprise, such as repairing machinery or autos, felling and rough finishing timber, or manufacturing handicrafts might be the surest way to increase their income. Grants and loans under section 302 could provide capital for these purposes.

Grants for farm and nonfarm purposes are restricted to families who are unable to obtain the funds they need through a loan from

FHA or another Federal agency. It is the committee's understanding, however, that by supplying seed capital for basic equipment and other capital inputs, a small grant may enable many otherwise ineligible farmers to meet their additional capital needs through the regular farm ownership, operating, and housing loan programs of FHA.

Title III, part A, will enable local FHA county supervisors to begin working with a group of farmers who heretofore have been denied their help. The committee considers the factor of management assistance to be a most important benefit that may result from this authority. Farm and home development planning, onsite periodic visits to the farm by FHA supervisors, and close collaboration on recordkeeping and other activities important in modern farming are among the techniques which the committee believes should, where appropriate, be used intensively in administering part A of title III. In addition, the committee understands that FHA plans to employ home management supervisors in certain critical areas to provide guidance in the management of the family's financial and other resources.

Section 303 authorizes the Director to extend credit and technical assistance to nonprofit development corporations, either public or private, for the purpose of enabling poor farm families to gain ownership of farmland. The section authorizes grants to these corporations whenever the cost of their land purchases at the market price is more than the amount received by the corporations through resale of the land to family farmers at a lower price equal to the appraised value when used for agricultural purposes.

This section will make it possible to broaden the existing and successful farm ownership program of FHA so that it will begin to benefit the lowest income group of farm families. This loan program was started in 1938 to enable farm tenants to become farmowners. But because of increases in the price of farmland and the widening gap between its appraised value for farming and its market value, many low-income farm operator families can no longer use it as an aid to farm ownership. Farm laborers, sharecroppers, renters, owners of substandard units, and young farmers, among others, do not usually have enough savings to pay the difference between the appraised value of land for agricultural purposes and its market price. By law FHA is prohibited from making a loan that exceeds this appraised value of a farm. Yet, in most areas, the market price may now be 10 to 25 percent higher than this appraised value. The lowest income farm operators are not in a position to accumulate savings and cannot make up the difference. They do not, therefore, qualify for an FHA farm ownership loan.

Section 303 introduces a device—the nonprofit corporation—for writing down the market cost of the land so that it can be sold for its true value for farm purposes. The section would make it possible to extend an existing and successful loan program of the Department of Agriculture to the most needy group of farm families.

Section 303 includes a provision designed to eliminate the possibility of a windfall profit to any purchaser obtaining farmland under the program. The section states that for 20 years from the date of sale by the corporation, upon resale of the farm, any amount obtained over the original appraised value of the unit, plus subsequent development costs, will revert to the corporation up to the amount of the corporation's investment in the property.



Section 304 authorizes loans to cooperatives that furnish processing, purchasing or marketing services, supplies or facilities predominantly to low-income rural families. Like other sections of this part, section 304 closely relates to an existing program. Currently the banks for cooperatives, which are a part of the Farm Credit System supervised by the U.S. Farm Credit Administration, make loans to farmer cooperatives whose membership is able to supply a significant portion of equity investment in the enterprise. However, there is a need for a credit program that will supplement operations of the banks in areas where low-income farmers might benefit from a cooperative that presently does not have adequate sources of financing. Loans under section 304 would be made only to cooperatives involving predominantly low-income rural families that cannot be financed through existing loan programs.

FHA presently operates a substantial program of loans to rural groups for such purposes as the construction of community facilities, resource conservation and development, and community recreation. Administration of loans to cooperatives will be similar in practice, and should present no problems.

Section 306(f) prohibits assistance for cooperative farming ventures in which land and other real estate is owned in common or to cooperatives formed to manufacture products. However, the committee does not intend to prohibit loans to small farmer cooperatives in which farm machinery is owned by the cooperative and used on the various members' farms, or to cooperatives processing, packing, canning, freezing, or performing other essential services in connection with the marketing of farm products.

#### *Assistance for migrant agricultural workers and their families*

Part B of title III authorizes special programs of assistance to an almost forgotten group of the poverty stricken, migrant farmworkers and their families. These men, women, and children who harvest our crops have been trapped, by lack of education and harsh economics, on a treadmill of poverty.

In 1962, the migrants' average earnings were \$1,123, of which \$874 was earned from farmwork. The median years of school completed by migrants over the age of 25 is 6.5, compared to a median of 11 years of school for the general population. Farmworkers are the only group, in fact, whose educational achievement has not advanced in the past 20 years.

The migrants' educational handicap is usually passed on to their children. School-age children are often kept at home to care for younger children because both parents have to work in the fields. Other school-age children are forced by economic circumstance to work in the fields with their parents to supplement the family income.

Even if children are enrolled in school, their frequent movement from place to place means a lack of continuity in their education. The majority fall behind their age group, drop out of school, and face a future in which they too will be qualified only to work as unskilled farm laborers.

The migrant all too often spends his life in unhealthy and unsanitary housing. Although many farmers have made a conscientious effort to improve worker housing, many cannot afford to tie up capital in facilities which will be occupied only for short periods during the year. Whether housing is furnished by the farmer or rented by the worker,

it is often only a shack, which may be overcrowded, structurally inadequate, lacking decent toilet facilities or a safe water supply. Besides its intrinsic hazards to health and safety, the persistence of such housing has materially limited the benefits which can be realized from the Migrant Health Act enacted in 1962.

Automation in agriculture is gradually reducing the work available for unskilled hand labor. The migrant child of today may grow up to find that even a harvesting job is not available to him. A good education and a decent and healthy environment will give the migrant child the opportunity to leave the fields and find his place in our modern industrial society. For the migrant worker of today, however, there are immediate and practical steps which should be taken to improve living and working conditions.

Due to the special conditions of the migratory way of life, the solution to migrant worker problems is complex.

Although these problems will receive important attention under other titles of this act, the committee feels that their solution warrants the initiation of special programs devoted to aiding migrant workers and their families. To this end, part B of title III authorizes the Director to develop and implement a program of loans, loan guarantees, and grants to assist State, local, and other public agencies and private nonprofit agencies, institutions, and organizations in establishing and operating programs which will meet the special needs of migratory workers and their families in the fields of housing, sanitation, education, and day care of children.

Other organizations and private individuals will be eligible under this part for assistance in the form of direct loans for those same purposes.

The committee recommends that such loans be subject to all the terms and conditions specified in section 306, subsections (a) through (e). Fees necessary to cover administrative expenses and probable losses may be required on loan guarantees. The committee understands that this program will be administered directly by the Director of the Office of Economic Opportunity.

Part B authorizes programs included in three bills already passed by the Senate: S. 521 (education), S. 522 (day care of children), and S. 526 (sanitation). Part B also authorizes housing programs, supplemental to the assistance available under title V of the Housing Act of 1949, such as those proposed in another Senate bill, S. 981.

The committee concurs in the definition of the term "migrant agricultural employee," found in S. 522, as an individual—"(*a*) Whose primary employment is in agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)), or performing agricultural labor, as defined in section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(g)), on a seasonal or other temporary basis, and (*b*) who establishes for the purpose of such employment a temporary residence." The committee recommends this definition, rather than the slightly more restrictive definition found in S. 521, to insure that single workers as well as those with families will be eligible for programs of adult education, sanitation, and housing.

Examples of programs which might be assisted by grants, loans, and loan guarantees under part B would be: provision of education for children in migrant families, establishment and operation of day



care centers; field sanitation projects; provision of adequate farm-worker housing facilities; demonstration projects in any of these areas to develop improved methods of meeting the needs of migratory families; and projects involving cooperation of agencies in more than one State to provide services and benefits in any of these areas particularly fitted to meet the needs of such families who travel from State to State.

Section 321 authorizes the appropriation of \$50 million for fiscal 1965 to fund title III. Recognizing that the special programs authorized in part B of this title will be closely coordinated with other programs contained in the act, particularly community action, section 321 provides that not more than \$15 million appropriated under other titles of this act may also be used for assistance to migrant workers under part B.

#### TITLE IV. EMPLOYMENT AND INVESTMENT INCENTIVES

Title IV of the act authorizes the Director to conduct a special program of loans, participations, and guarantees for the benefit of very small business concerns. This title recognizes the contribution which this neglected segment of the economy can make toward the elimination of poverty.

Because of their limited resources, countless enterprises of this description, employing up to four or five persons, have been unable to meet the normal credit requirements for Government loans under existing law. The resulting scarcity of capital has prevented them from strengthening and expanding their operations. This is one cause of the poverty which is to be found in many urban areas.

The loan and guarantee program embodied in title IV combines management training with financial assistance extended through simplified procedures on liberal terms. This program will—

- (1) help put a new or incipient business on its feet;
- (2) enable an existing business to grow where there is a need for growth and provide small loans for longer terms than existing SBA programs permit;
- (3) enable small firms to ready themselves for the higher levels of economic activity which the tax reductions in 1964 and 1965 will produce; and enable firms in areas where the ARA or other development programs have spurred economic growth, to share in the improved conditions which such development yields;
- (4) hold out the promise of increased employment by every firm which can with the help of a modest loan from the SBA expand its labor force;
- (5) provide for small businessmen an opportunity to learn by making available a program of management training in connection with which both the business community and the educational institutions will be encouraged to share their knowledge and their experience;
- (6) encourage private institutions, through loan guarantees, to make additional capital resources available in the war on poverty.

Within the limits of its existing legislation, the Small Business Administration has already experimented with such a loan program in Philadelphia in cooperation with local business groups and founda-

tions. This program was started as a pilot project on January 28, 1964, and the response has been extraordinary. To date, SBA has conducted in connection with the pilot program more than 1,911 interviews. Two hundred applications for financial assistance have been received; 114 loans have already been approved, averaging \$4,000 each.

In conjunction with these loans, members of the business community of Philadelphia who are recognized experts in fields such as book-keeping, merchandising, and taxation, have volunteered their services as advisers to borrowers. The lending and the management training aspects of the Philadelphia pilot project are directed toward the disadvantaged small business concerns who have been unable to obtain private financing, or to underwrite any form of management training for themselves or their employees.

The experience gained from such pilot programs can now be utilized and expanded upon in similar situations over the country. Title IV will make this possible. It authorizes the Director of the Office of Economic Opportunity to make or guarantee loans to small business concerns or to those seeking to establish such concerns if the financing is not otherwise reasonably available and if there is reasonable assurance of repayment. The definition of "small business" would be governed by the Small Business Act. Such Federal assistance to a single borrower at any one time may not exceed \$25,000.

The committee understands that the Director expects to delegate the authority for day-to-day administration of the loan and guarantee program authorized by this part to the Small Business Administration. However, the Director will be responsible for establishing, in accordance with this act, the policies which shall govern the administration of the program. There follows a letter establishing the Administration's intention in this connection:

THE WHITE HOUSE,  
*Washington, D.C., July 6, 1964.*

HON. JACOB K. JAVITS,  
*U.S. Senate, Washington, D.C.*

DEAR SENATOR JAVITS: I want to assure you, pursuant to our conversation last week, that it is our intention that the small business loan program which would be authorized by title IV of the Economic Opportunity Act will be administered through the facilities of the Small Business Administration. Since this is one effective way to fight poverty, I expect to consult closely with the Small Business Administrator in establishing the basic guidelines and operating criteria which will determine the overall shape and content of the program. But the program itself will be administered by the staff of over 3,000 engineers, business analysts, and credit advisers in the Small Business Administration.

With the Small Business Administration and the Office of Economic Opportunity cooperating in this way, I think we have an effective method for bringing technical expertise and management know-how together in a focused program to help the small businesses which are so important to the core areas of our great cities.

This arrangement is in keeping with our general approach of utilizing to the maximum extent the services and personnel of existing agencies, as, for another example, we are doing with the Farmers



Home Administration of the Department of Agriculture in connection with title III of the bill.

Sincerely,

SARGENT SHRIVER,  
*Special Assistant to the President.*

The Director will also take appropriate action to insure that the administration of the program is coordinated with the other programs authorized by this act, particularly the community action programs authorized by title II. No financial assistance shall be provided in any community where there is an approved community action program unless the Director determines that such assistance is consistent with that program.

Loans under this new authority should not be confused with the regular business loan program conducted by SBA pursuant to section 7(a) of the Small Business Act. This new program is tailored more closely to the special needs of very small businesses which presently operate at marginal levels. Specific recognition is given to the problems which may arise in connection with the extension of loans to such firms. Thus, maturity may, when necessary, be extended to 15 years so as to ease the burden on the borrower by permitting repayments to be made in small installments over a longer period of time. Provision is made for management training courses to assist borrowers. Further, the Director is expressly authorized to defer payments on the principal of a loan for a grace period or to adopt any other measures necessary or appropriate to assist a hard-pressed borrower in meeting his obligation.

The credit criteria employed in the new program will be more flexible than that employed in the regular SBA loan program. For the protection of the Government's interest, the Director will take whatever collateral is reasonably available. In every case a lien will be secured on inventory, equipment, or other property purchased with the proceeds of a loan. But no applicant who is otherwise qualified will be turned away merely because he has no suitable assets on hand to pledge as collateral. He will be considered a satisfactory risk if there is reasonable assurance of repayment based on such considerations as his character, his management abilities, his earnings and credit record, the response he has shown in the past to financial obligations, and his prospects for success.

In the case of a loan for the establishment of a new enterprise the Director should not hesitate to depart from the "rule of thumb," generally followed by SBA in its regular business loan program, that the borrower must put up approximately one-half of the necessary money. A lesser contribution may be acceptable, especially where the incipient business holds promise of a livelihood for a number of persons in an impoverished area.

Particular emphasis is given to management training, both to train those entering business and to upgrade the skills of those already in business. The Director would be given specific authority to condition the granting of a loan upon the borrower's participation in an approved management training program, either privately conducted or Government sponsored. Such provision will not only be of significant assistance to the proprietor, but will also give the Government additional assurance that its investment will be repaid.

It would not be in keeping with the purposes of the act for the financial assistance authorized in this part to be provided to an establishment which plans to relocate or has recently relocated from one area to another, where the purpose of the relocation is to avoid collective bargaining obligations or to escape from a "high wage" to a "low wage" labor market area. It has long been a recognized policy of the Government to preclude the use of Federal funds in any form for assisting the "pirating" of work, industries, or plants from one locality to another. When such pirating occurs, it merely transfers the problems of unemployment and, therefore, does not warrant assistance under this bill which is aimed at eliminating the causes of poverty.

It is the intention of the committee that financial assistance, grants or loans under this act shall not be made available for projects or facilities in industries characterized by substantial unemployment and unused plant capacity, for projects or facilities which utilize industrial homework in their operations, or for training programs for industries (such as the apparel industry) in which labor turnover is high and in which specific skill and training is not typically a prerequisite for obtaining employment.

#### TITLE V. WORK EXPERIENCE PROGRAMS

Title V will stimulate the expansion of work experience and other needed training, including basic education, for needy individuals who are currently receiving some type of public assistance. Studies of unemployed persons aided under the public assistance programs indicate that in general these persons lack sufficient education and work skills to compete in the labor market. Many are either so lacking in knowledge and skills or in self-confidence because of prolonged unemployment that they are not ready for training programs such as those offered under the Manpower Development and Training Act. Families which are now under federally aided assistance programs and those who are not, but generally would be, if appropriate programs existed, may receive help under this title.

From the end of the programs of the 1930's until the provision in 1961 of aid to families with dependent children who are in need because of unemployment, the federally aided public assistance programs did not generally assist unemployed persons. The Federal grants to States were for assistance to the needy aged, blind, and disabled, and to needy families with dependent children where a parent was dead, absent, or incapacitated.

Individuals and families in need because of unemployment, if they were to receive assistance at all, usually had to do so under State and locally financed general assistance programs. Work programs were developed in some localities under these programs and evidenced some success in helping persons to become self-supporting.

The Public Welfare Amendments of 1962 extended the provision for AFDC-U for 5 years and incorporated provisions under which States could establish community work and training programs as part of the total AFDC program. Of the 18 States which have extended their AFDC programs to include families with unemployed parents, 13 have community work and training programs either in operation or in the planning stage.



There are many convincing examples of the real benefits—both human and fiscal—which have resulted from such programs.

The following cases show what can be done:

In August 1962 the Illinois Public Aid Commission established a special service in 21 counties to assist welfare clients to self-support. Approximately 4,300 welfare recipients were included. During the period November 1962 through January 1963, the rate of closing of assistance cases in the special projects was approximately twice as high as the rate in the remaining caseload. The agency reports that after helping the most hopeful cases to self-support it was apparent that educational training would be necessary before many others could be returned to self-support.

The Cook County Public Aid Department maintains a center for training and placing in private jobs recipients of public assistance in Cook County, Ill. Between 12,000 and 15,000 recipients per year are placed in private employment. The center is essentially a series of industrial shops with a staff of 235 supplemented by about 150 assistance recipients to do janitorial and minor clerical work. There are about 500 trainees at the center at any one time working on the assembly of articles, packaging of books and publications, and various sewing machine tasks.

The Lake County, Ind., Welfare Department operated a training program for mothers in families receiving aid to dependent children. Operation of the program for the period February 1, 1956, to November 1, 1962, cost \$8,000. During this period, training was given to 65 recipients, of whom 35 left the assistance program entirely and 30 received smaller grants because of earnings. The aggregate estimated savings attributable to this program were \$60,000. On the basis of the Lake County's experience, Indiana provided a State program under which \$11,666 was expended in Lake County between January 1962 and June 1963. Reductions in public assistance attributable to this expenditure were estimated at \$116,000 during the 18 months. The program involved finding the skills that were in demand in the community, training recipients in those skills and placing them in jobs. Counseling was provided before and during training and after placement.

A project developed by the Fulton County, Ga., Welfare Department selected 100 initial enrollees from the aid to families with dependent children recipient group and provided training in commercial food preparation and commercial housekeeping. Of the original 100, 71 received certificates of satisfactory completion of the 6-week courses. Forty-six were employed promptly.

For some years the New York City Department of Public Welfare has provided services for self-support. A report evaluating these services states that welfare clients needed one or more of the following: Special testing, sheltered work experience, training, placement service, or counseling. During a 3-year period, 616 cases were closed as a result of the service and 279 were determined to be unsuitable for self-support. The length of previous unemployment for the total group in the project ranged from 1 to 19 years with a median of 5.8 years. This agency placed great stress upon training and counseling. It further reports that the median period for self-support for the cases closed has been 16.3 months and after return to self-support there had not been a single return to public assistance.

Title V would expand programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain the capability for self-support and for personal independence. It authorizes the Director, under appropriate conditions, to transfer funds appropriated for the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments under section 1115 of the Social Security Act for experimental, pilot, or demonstration projects directed toward these objectives. In expending these funds, the Secretary will give preference to those projects which are part of or coordinated with a community action program approved pursuant to title II of the act.

Section 1115 of the Social Security Act applies to all of the Federal-State public assistance programs, and gives broad authority for waiver of plan and matching requirements for projects that give promise of advancing the objectives of title I (old-age assistance and medical assistance for the aged), title IV (aid to families with dependent children), title X (aid to the blind), title XIV (aid to the permanently and totally disabled), or title XVI (combined plan for the aged, blind, and disabled) of the Social Security Act. Since projects can be designed to include individuals who are potential recipients under any of these titles, the scope of the program is broader than the existing authority for community work and training, which is limited to the AFDC program. Under the authority of section 1115, moreover, experimental projects can explore areas which lie somewhat beyond the boundaries of the existing Federal categories. However, it must be recognized that there are individuals and families whose inclusion would not promote the objectives of any of the enumerated titles and who accordingly would not be eligible for projects financed from funds made available under title V of this act.

It is expected that many projects of aid to families with dependent children, where the need is the result of the unemployment of a parent, will be established in communities where such programs do not now exist. Such experimental pilot, or demonstration programs will provide needy persons with assistance, work experience and training financed entirely, or in large part, under this title for a limited period of time.

Existing community work and training authority under the Social Security Act does not permit Federal participation in the costs of materials or equipment or of on-the-job supervision. While it is expected that there will generally be some local or State contribution to the cost of these items under title V of this act, a large part of such costs can be met with Federal funds. For fiscal year 1965, the costs to the Federal Government of all projects under title V shall be met entirely from title V funds. This will cover the full Federal payments to the States for projects including what would otherwise be the Federal share under the Social Security Act.

In order to assure that proper safeguards, insofar as applicable, will be included in relation to projects, title V does not permit the waiver of the provisions of section 409(a) (1) to (6) of the Social Security Act, which set forth standards of health and safety agreements with other agencies, principles governing hourly rates of payments and the like. Title V makes it explicit that the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1963 and the Vocational Education



Act of 1963. It is also contemplated that maximum use will be made of the basic adult education provisions embodied in title II, part B of this act. It should be pointed out, however, that experience has indicated that many of the individuals from public assistance programs who will be involved in these projects will not qualify for programs under the Manpower Development and Training Act. Many lack sufficient aptitudes, awareness, and confidence to enter directly into training programs, and will be ready for such programs only after they have received some experience and training in work experience programs.

The State agencies responsible for welfare programs and the State education agencies should act in concert to assure that no duplication between training provided on work-experience projects and training available under the Vocational Education Act or the basic adult education provisions of this act will occur. Where the Director determines that the training resources needed by a project are available through the educational agencies and are adequate to meet the needs of the project, additional training resources should not be developed. Where such training resources do not exist or are inadequate, title V authorizes the Director to establish or supplement other training programs.

Many persons to be assisted under this title are not now receiving assistance under the federally aided public assistance programs. These needy persons are either receiving general assistance or are living in areas that do not have general assistance programs. They may be provided with work experience and training either through the establishment of pilot programs or through the extension of AFDC-UP programs. Under the authority of this title, this group will include some persons other than members of families with dependent children.

Of the over 700,000 women heading families receiving AFDC, about 13 percent, or 100,000 consider themselves unemployed and would like to work if they had training for themselves and care for their children. These mothers may be aided by programs established under this title. It is expected that training for mothers will not only enhance their ultimate prospects for employment but will be of immediate value in strengthening the family situation and making progress possible for the children. Projects of this type should include provision for proper care of the children while the mother receives training.

Title V affords the flexibility needed to establish projects in coordination with other training resources so as to reach some of the least skilled of the unemployed and to increase materially their chance of self-support and personal independence.

## TITLE VI. ADMINISTRATION AND COORDINATION

Section 601 establishes the Office of Economic Opportunity in the Executive Office of the President. It provides that the Office shall be headed by a Director who shall be appointed by the President by and with the advice and consent of the Senate and that there shall also be in the Office a Deputy Director and three Assistant Directors, appointed by the President by and with the advice and consent of the Senate, who shall perform such functions as the Director may from

time to time prescribe. Subsections 601 (c), (d), and (e) authorize the President to fix the levels of compensation for the Directors of the Office of Economic Opportunity at rates not in excess of those established for comparable offices by the pending Government Employees Salary Reform Act of 1964 (H.R. 11049) or any similar legislation enacted in the future.

In addition to the authority to carry out specific programs granted elsewhere in the act, section 602 grants the Director a variety of powers considered necessary and important to the carrying out of his functions under this act. The scope of this authority is described in the section-by-section analysis which the committee has prepared as part of this report.

A review of the scope of the programs established by this act, as described in the pertinent portions of this report, emphasizes the need for high-level personnel capable of directing these programs. In addition, the Office of Director created by this title is given the most important responsibility of coordinating the antipoverty activities of the entire Federal Government. Carrying out this responsibility will entail day-to-day relations with the highest officials of the Government and will demand staff personnel of broad experience and capability for whom adequate compensation must be made available if their services are to be obtained.

The Director is authorized, with the approval of the President, to delegate any of his powers under the act and to authorize their redelegation. In this connection, the committee understands that the Director expects to utilize existing Federal agencies in administering certain of the programs authorized by the act. Specifically, the committee understands that the Department of Health, Education, and Welfare will be utilized in the administration of title I, part C, work-study programs; title II, part B, adult basic education programs; and title V, work experience programs; that the Department of Labor will be utilized for title I, part B, work-training programs; that the Department of Agriculture will be utilized for title III, part A, special programs to combat poverty in rural areas; and that the Small Business Administration will be utilized in the administration of title IV, employment and investment incentives. The committee expects the Director, however, to establish and be responsible for the policies, rules, and regulations which will govern the administration of these delegated programs.

The Office of Economic Opportunity will administer directly the other programs authorized by the bill—the Job Corps established by title I, part A; the urban and rural community action programs authorized by title II, part A; the program for assistance for migrant agricultural employees and their families authorized by title III, part B; and the VISTA program authorized by title VI.

Section 611 contains provisions designed to assure that all Federal programs related to the purposes of the bill are carried out in a coordinated manner. The Director is authorized to assist the President in coordinating the antipoverty efforts of all Federal agencies. Federal agencies which are engaged in administering programs related to the purposes of the bill will cooperate with the Director in carrying out his responsibilities under the bill and will carry out their programs and exercise their functions so as, to the maximum extent permitted by other applicable law, to assist in carrying out the purposes of this



bill. The President may direct that other Federal agencies carry out their programs, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under the bill.

Section 612 emphasizes the importance of coordinating all efforts and resources in a concentrated attack on the causes of poverty. Just as the various communities are encouraged to coordinate their action programs under title II of this act, section 612 provides that, to the extent feasible, and consistent with the provisions of law governing other Federal programs, preference is to be given in carrying out those programs and the programs created by this act to those applications for assistance or benefits which are components of or coordinated with a community action program approved under title II, part A.

Section 613 authorizes the Director to collect and distribute to public officials and other interested persons information concerning all Federal programs related to the purposes of the bill and other relevant information. This will enable the Director, among other things, to operate a "one stop" source of information about all programs related to an attack on poverty. Such an information center will provide a meaningful and useful catalog of programs which offer services needed in community antipoverty efforts. Interested public agencies and private individuals can come to such a center and obtain necessary advice about programs which may be available to meet the problems of poverty existing in their local areas.

#### VOLUNTEERS IN SERVICE TO AMERICA—VISTA

The VISTA program authorized by section 603 finds its origin in both the Peace Corps Act, enacted in 1961, and the National Service Corps bill (S. 1321) which the Senate passed on August 14, 1963, following the favorable report of this committee (Rept. No. 382, 88th Cong., 1st sess.). The services of trained and dedicated volunteers are needed just as much here in the war against poverty as they are abroad in presenting the United States to the peoples of the world, and we believe this program will give renewed emphasis and meaning to all existing programs against poverty, both governmental and private.

VISTA volunteers are closely keyed into the overall antipoverty effort. They will participate in the Job Corps, work training, and community action programs as aids, teachers, counselors, advisers, etc. They will be assigned to work in meeting the needs of Indians, migrants, and residents of Federal areas. They can be referred (but only when requested) to State and local agencies, for work on problems of poverty.

As demonstrated by the thousands of ongoing volunteer programs in the United States and by the tremendous response to the call for full-time volunteer service in the Peace Corps, there is a great reservoir of energy, ability, and talent available for volunteer service in the war against poverty. There is a need, however, to stimulate greater volunteer activity to supply needed manpower. A full-time volunteer service will afford an effective means of stimulating greater volunteer activity, and will encourage more young men and women to pursue a career in service to the needy. In addition, these VISTA volunteers

will make material contribution by their own efforts toward the elimination of poverty.

Section 603 authorizes the Director to recruit, select, and train individuals who volunteer their services full time for a period, normally 1 year, in alleviating human need. Once trained and selected for service, volunteers may be referred to perform duties in furtherance of programs combating poverty at a State or local level, or assigned to work in various activities which have a relationship to the responsibilities of the Federal Government. Whether referred or assigned, all volunteers will be working as part of a single effort to eliminate the causes and effects of poverty and will be recognized as members of a single VISTA team.

Under subsection (a)(1), the Director of the Office of Economic Opportunity will refer volunteers, upon request of State or local governmental agencies or private nonprofit organizations, to perform duties in furtherance of programs combating poverty at a State or local level. VISTA will serve as a national clearinghouse for volunteers, matching available skills with the manpower needs of local and State areas.

When requested by the appropriate State or local agency and approved by the Governor, volunteers may be referred to perform duties of any type in any area so long as they will be engaged in combating poverty.

The direct financial responsibility of VISTA will terminate upon the completion of the training and referral of volunteers pursuant to this subsection. The subsistence, allowances, medical care, stipend, etc., necessary for the maintenance of the volunteers following their referral must be arranged for by the agency or organization to which they have been referred. The committee anticipates that the necessary funds will be available under State or local government appropriations, from foundation grants, and, where the volunteer activities are part of a community action project, under the appropriations provided for in title II of this act.

Under subsection (a)(2), the Director is authorized to assign volunteers to work in the following fields of activity:

(A) In meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands;

(B) In the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and

(C) In furtherance of programs or activities authorized or supported under titles I and II of this act.

Requests for assignment of volunteers may be accepted from Federal, State, or local government agencies or from private nonprofit organizations. The volunteers, whether assigned or referred, will go only where they are requested. As provided under subsection (b), volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor. It is the hope of the committee, of course, that the Governors of all States will welcome VISTA volunteers to work full time combating poverty within the



borders of their respective States. It is the intention of the committee in establishing the consent requirement that it relates to the assignment or referral of volunteers within a particular State, and not to the detailed specifics of an administrative nature, such as the order of approval of requests, the duration of an assignment, or referral. Decisions upon such matters are the sole responsibility of the Director, who is charged with the day-to-day administration of the program.

The committee has provided that VISTA will be responsible for the provision of subsistence, allowances, medical care and stipend, etc., of assigned volunteers from the time of their assignment until the termination of their service. The assumption of this responsibility is appropriate since the activities to which volunteers may be assigned are limited to fields in which the Federal Government has some responsibility. Where volunteers are assigned to work in programs being conducted by the Federal Government or its agencies, the committee intends that those agencies shall, wherever possible, meet the full costs, including stipend, of maintaining the volunteers. Where volunteers are assigned to a program authorized or supported under this Act, such costs should be met from the funds authorized and appropriated for that title.

The committee recognizes the fact that VISTA, under the bill, has a major responsibility to make volunteers available for work in Job Corps camps, in work-training and work-study programs, and as part of community action projects. Further, the committee recognizes the importance of the role which VISTA volunteers will play in the activities and programs authorized by titles I and II. However, particularly during the initial period of operation authorized by this act, VISTA should avoid any tendency to commit all of its volunteers to these activities and programs. It is important that VISTA refer and assign volunteers to a variety of activities outside the programs authorized by titles I and II of this act, for it is only by that means that the Congress may determine the full potential of this program.

The committee recognizes that the congressional presentation suggests that VISTA will enroll approximately 5,000 volunteers by the end of the first year of operations. It has by design omitted any set maximum or minimum figure from the bill since, in its judgment, the number of volunteers will be determined by the number of well-qualified persons who seek to serve, by the number of well-conceived and qualified requests for volunteers received by VISTA, and by the budget appropriated by the Congress under this bill. In this connection, the committee notes that the National Service Corps study showed that a budget of \$5 million would support an enrollment of 1,000 volunteers by the end of the first year of operations. The stipend of VISTA volunteers is lower than that proposed for National Service Corpsmen and the costs to VISTA of volunteers referred pursuant to subsection (a)(1) are limited to recruitment, selection and training. These factors suggest that a budget of \$5 million will enable VISTA to enroll more than the 1,000 volunteers anticipated by the Service Corps. The committee, however, does not wish VISTA to sacrifice the quality of volunteers, volunteer training, or the care with which requests for volunteers are analyzed and selected in order to increase the number of enrolled volunteers by the end of the first fiscal year. The tasks to be performed by volunteers will

be extremely difficult. They will require a high degree of motivation and personal stability. Quality of personnel will be of greater importance than quantity.

Under subsection (c), volunteers during training and during assignment pursuant to subsection (a)(2) may receive a stipend not to exceed \$50 per month in addition to living, travel and leave allowances, and such housing, transportation, supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs. The committee intends that the stipend shall be treated as a termination payment to be held for the volunteers until the completion of their service. However, where necessary, VISTA volunteers may request the Director to pay out their termination payment, monthly as earned, as allotments for legitimate purposes, e.g., payment of National Defense Education Act student loans, family assistance, etc. In no case, however, should the stipend be made available to the volunteers for personal expenses during their service since it is the committee's intention that the volunteers will maintain themselves generally at a level commensurate with their duties in the war against poverty. As part of the terms and conditions upon which volunteers are referred pursuant to subsection (b) of section 603, the Director should, wherever possible, make contractual arrangements for the receipt of volunteers of the \$50 stipend in addition, of course, to other allowances and supplies necessary to their maintenance.

The committee intends that volunteers will normally enroll for a 1-year term with an opportunity to reenroll for a second, and, in unusual cases, a third year. VISTA is given discretion to provide for a shorter term of service where this appears advisable for persons of professional skills, such as doctors, attorneys, master teachers, etc. Volunteers may serve in any particular task only so long as their presence is acceptable to the local community. The Director of the Office of Economic Opportunity may terminate the enrollment of any volunteer at any time.

The committee recognizes that the Peace Corps has developed a vast fund of experience and knowledge which will be valuable to VISTA in the development of its program. The volunteers to be recruited by VISTA will come from the same basic pool of talent which is attracted by the Peace Corps. Accordingly, the Peace Corps and VISTA should make every effort to cooperate in their recruiting activities.

The committee anticipates that VISTA volunteers will be drawn from all ages, 18 and over. VISTA should undertake to provide its volunteers with information to assist them in placing themselves in jobs commensurate with their skills and experience after their service as volunteers is completed. This is particularly true where volunteers will be drawn from the youth who have not held their first job and who will require advice and assistance in choosing a career. This will also further one of VISTA's important objectives, achievement of an increase in the number of persons choosing careers in the helping professions. It is the committee's intention, of course, that the stipend or termination payment will afford a modest "nest egg" to enable volunteers to complete their readjustment to a career outside VISTA or to recommence their education.

*Administration.*—The committee urges that the staff personnel assigned to administer the program—to recruit, select, train, and main-



tain liaison with the volunteers during assignment and referral—be of the highest caliber and capability. Only in this way can VISTA hope to refer and assign the able, stable, and motivated volunteers required to achieve the great purposes of this program.

Section 603(d) provides, among other things, that volunteers, during training and on assignment pursuant to section 603(a)(2), shall be deemed Federal employees to the same extent as enrollees of the Job Corps under section 106 (b), (c), and (d) of the act. Section 106(d) provides that a volunteer shall be deemed to be a Federal employee for purposes of the Federal tort claims provision of title 28, United States Code. Volunteers, after training and referral pursuant to subsection (a)(1) will, of course, not be Federal employees for any purpose. Under the provisions of subsection 603(d), for example, retired military and public health officers may volunteer their skills and services to VISTA without giving up their right to continue to receive volunteer pay and benefits. The provisions of the Federal laws which placed limitations upon the holding of Federal office by such retired persons will have no application to their service as volunteers in VISTA.

#### TITLE VII. TREATMENT OF UNEMPLOYMENT COMPENSATION BENEFITS AND INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

Section 701 contains an expression of congressional policy that an individual should not be discouraged from participating in projects under title I or II by concern that his entitlement to unemployment compensation will thereby be adversely affected. Accordingly, this section provides that unemployment compensation to which an individual is otherwise entitled should not be denied or reduced for the sole reason that he or any other person participated in projects under title I or II. Similarly an individual is not to be denied participation in projects under title I or II for the sole reason that he or any person dependent upon him for support receives, or is entitled to receive, unemployment compensation.

Some individuals and families who will be aided through the Economic Opportunity Act are recipients of public assistance under programs in which the Federal Government participates under the Social Security Act. In general, under the Federal-State programs of old-age assistance, aid to families with dependent children, aid to the blind, and aid to the permanently and totally disabled, any income or resources available to a recipient of assistance must be taken into account in determining eligibility for public assistance. If this were done with respect to payments made under the Economic Opportunity Act, such payments would, by and large, result in a corresponding reduction in public assistance payments. This would destroy much of the motivation for individuals and families to participate in the programs created by the act and would reduce the needed benefits available to them. It would also in some degree simply result in a substitution of Federal dollars for State dollars, since the programs under this act will generally involve a higher proportion of Federal funds.

There is precedent in the Social Security Act for disregarding certain types and amounts of income and resources. In the case of blind persons receiving assistance under title X or XVI of that act,

the first \$85 of earned income, plus one-half to the remainder of earnings and any resources found necessary to the achievement of an approved plan for self-support, must be disregarded by States. In the case of aged persons, States may disregard up to \$30 of the first \$50 that an individual earns. Earnings or other income may be set aside for future identifiable needs under the aid to families with dependent children program. These exceptions in the Social Security Act would not, however, meet the need for exemption of payments that will be received under the Economic Opportunity Act.

Accordingly, title VII provides that a State plan approved under title I, IV, X, XIV, or XVI of the Social Security Act must provide that the first \$85 of any payment made to, or on behalf of, any person for or with respect to any month under title I or II of the Economic Opportunity Act or any program assisted under such title, and one-half of the remainder of such payment, shall be disregarded in determining the need for public assistance. It further provides that any portion of the payment, over and above the amounts disregarded, shall not be considered as income or resources of another person unless it is actually made available to such person.

Title VII also provides that any grant made to a family under title III of this act shall not be regarded as income or resources of the family in determining the need of any family member for public assistance.

There are some States that will probably have to amend their public assistance statutes in order to comply with the provisions of title VII. There is accordingly a provision that any such State will not have funds withheld under the Social Security Act prior to July 1, 1965, because action was taken contrary to the requirements of this act where such action was necessary under the State's statutes existing on the effective date of this act.

## SECTION-BY-SECTION ANALYSIS

### *Section 1. Short title*

The act may be cited as the "Economic Opportunity Act of 1964."

### *Section 2. Findings and declaration of purpose*

This section contains a congressional finding that although the economic well-being and prosperity of this Nation have progressed to a level surpassing any achieved in world history, and these benefits are widely shared throughout the Nation, poverty is still the lot of a substantial number of the people of our Nation. It goes on to state that the United States can achieve its economic and social potential only if each person has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. Therefore, it is declared to be the policy of the United States to eliminate the paradox of poverty in the midst of plenty by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. The purpose of the act then is to strengthen, supplement, and coordinate efforts in the furtherance of that policy.



## TITLE I. YOUTH PROGRAMS

## PART A. JOB CORPS

*Section 101. Statement of purpose*

The purpose of this part is to prepare young men and young women 16 through 21 years of age for the responsibilities of citizenship and to increase their employability. Education, vocational training, useful work experience, and other appropriate activities will be provided them in rural and urban residential centers.

*Section 102. Establishment of Job Corps*

The Job Corps is established within the Office of Economic Opportunity (created by sec. 601).

*Section 103. Job Corps program*

The authority of the Director of the Office of Economic Opportunity relative to the establishment and operation of conservation corps and training centers is established by this section.

*Subsection (a).*—Through agreements entered into with Federal, State, and local agencies, or private organizations, the Director is authorized to provide for the establishment and operation of such camps and training centers, and to provide the services and facilities necessary to the Job Corps program. Agreements are authorized with agencies responsible for conserving, developing, and managing public natural resources, and with agencies developing, managing, and protecting public recreational areas. Enrollees of the Job Corps under these agreements may be utilized by such an agency, under its immediate supervision, in carrying out programs which the agency has planned and for which it is responsible. Enrollees may be utilized as well in furtherance of a botanical survey program.

*Subsection (b).*—The Director is authorized to arrange for the education and vocational training of enrollees in the Corps. Where practicable, such education and training may be provided through local public educational agencies or, when substantially equivalent training can be provided with reduced Federal expenditures, by private vocational educational agencies or technical institutes.

*Subsection (c).*—The Director is authorized to provide, or arrange for, programs of useful work experience and other appropriate activities for enrollees.

*Subsection (d).*—The Director is authorized to establish health and safety standards, and to provide health services.

*Subsection (e).*—The Director is authorized to prescribe rules and regulations, relating to the selection of enrollees, and their conduct after enrollment, and the circumstances under which enrollment may be terminated.

*Section 104. Composition of the Corps*

*Subsection (a).*—The Corps is open to young men and young women, ages 16 through 21, who are permanent residents of the United States and who meet the additional standards for enrollment prescribed by the Director. Only in exceptional cases will graduates of accredited high schools be enrolled in the Corps, and no one will be accepted unless the local school authorities have concluded that further school attendance by the candidate is not practicable. Participants in the

Corps will not be relieved thereby of any obligations under the Universal Military Training and Service Act.

*Subsection (b).*—Candidates for enrollment in the Corps must agree to comply with its rules and regulations.

*Subsection (c).*—Except for special cases, 2 years will be the maximum period of enrollment for any individual.

*Section 105. Allowance and maintenance*

*Subsection (a).*—Enrollees in the Corps may be provided with living, travel, and leave allowances, quarters, subsistence, transportation, equipment, clothing, and recreational services, medical, dental, hospital, and other expenses as may be necessary.

*Subsection (b).*—When he leaves the Corps, each enrollee will receive a readjustment allowance not to exceed \$50 for each month of satisfactory participation in the Corps. However, up to \$25 per month of the readjustment allowance may be paid directly to a member of an enrollee's family during his period of enrollment, and any amount so paid will be supplemented by the payment of an equal amount to the family member by the Director. (Sec. 609 (C) defines "member of the family" to include the spouse or child of an enrollee, and any other relative who draws substantial support from the enrollee.)

*Section 106. Application of provisions of Federal law*

*Subsection (a).*—An enrollee is not to be considered a Federal employee and will not be subject to the provisions of law relating to Federal employment, hours of work, rates of compensation, leave, unemployment compensation, or Federal employees' benefits. Succeeding subsections provide a number of exceptions to this general rule. (Sec. 603(d) makes these exceptions equally applicable to volunteers during training and during assignment pursuant to sec. 603(a)(2)).

*Subsection (b).*—The effect of this subsection is to bring enrollees within the coverage of the old-age, survivors, and disability insurance provisions of the Social Security Act.

*Subsection (c).*—Provides that enrollees will, for the purposes of the Federal Employees' Compensation Act, be considered employees of the United States. The provisions of that act will apply to enrollees, except that the term "performance of duty" in that act will not include any act of an enrollee while he is on authorized leave or pass or absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps or parties under contract with the Corps. In computing compensation benefits for disability or death, the monthly pay of an enrollee will be deemed to be \$150, except that with respect to compensation (for disability) accruing after the individual concerned reaches the age of 21 the monthly pay will be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949. Recomputation of benefits under 6(d)(1) of the Compensation Act is permitted.

*Subsection (d).*—Provides that an enrollee will be deemed to be an employee of the Government for the purposes of the Federal Tort Claims Act.

*Subsection (e).*—Provides that personnel of the uniformed services who are assigned to duty in performance of agreements made by the



Director with other Federal departments and agencies for the operation of the Corps will not be counted in computing strengths under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

*Section 107. State-operated youth camps*

The Director is authorized to assist States in the operation or administration of State-operated youth camps which carry out the purpose stated in section 101 of the act. The Director may pay part or all of the costs of such operation or administration.

PART B. WORK-TRAINING PROGRAMS

*Section 111. Statement of purpose*

The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women through participation in State and community work-training programs. These programs will be undertaken so that the employability of these young people may be increased or their education resumed or continued, and so that public agencies and private and nonprofit organizations will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

*Section 112. Development of programs*

This section directs the Director to assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities, which, whenever appropriate, will be coordinated with programs of training and education provided by local public educational agencies.

*Section 113. Financial assistance*

This section authorizes the Director to enter into agreements under which he will pay part or all of the cost of a State or local work-training program if he determines that (1) enrollees in the program will be employed either on publicly owned and operated facilities or projects, or on projects sponsored by private nonprofit organizations; (2) the program will increase the employability of the enrollees by providing work experience and training, or will enable student enrollees to resume or to maintain school attendance; (3) the program will contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to State or community programs in the fields of conservation or recreation; (4) the program will not displace employed workers; (5) the rates of pay and other conditions of employment will be appropriate and reasonable; (6) the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees (there is provision for the improvement and development of such services where they are inadequate); (7) the program will include standards and procedures for the selection of applicants which assure full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

Enrollees are not to be employed on projects of private nonprofit organizations involving the construction, operation, or maintenance

of so much of any facility as is used or to be used for sectarian or religious purposes.

The Director is required to give priority to projects with high training potential.

*Section 114. Enrollees in programs*

*Subsection (a).*—Participation in these programs is limited to young men and women who are permanent residents of the United States and who are at least 16 but not yet 22 years of age.

*Subsection (b).*—Enrollees are not deemed to be Federal employees and will not be subject to laws relating to Federal employment.

*Subsection (c).*—The Director is authorized to provide for testing, counseling, job development, and referral services through public agencies or private nonprofit organizations.

*Section 115. Limitations on Federal assistance*

This section sets limits on the amounts the Director can pay for support of work-training programs. Payments for the period ending 2 years after enactment of the act, or June 30, 1966, whichever is later, shall not exceed 90 percent of the cost of a program, and thereafter shall not exceed 50 percent of such costs. The Director may in exceptional cases pay a larger percentage of a given project cost, if necessary. The non-Federal contribution may be in cash or in kind.

*Section 116. Equitable distribution of assistance*

The Director is required to establish criteria for achieving an equitable distribution among the States of assistance under this part. In developing these criteria he will consider, among other things, the ratios of population, unemployment, and family income levels. Irrespective of such criteria, however, no more than 12½ percent of the money appropriated for any one year for these programs may be used within any one State.

PART C. WORK-STUDY PROGRAMS

*Section 121. Statement of purpose*

It is the purpose of this part to stimulate and promote part-time employment of college and university students who are from low-income families and who need to earn money to pursue their educations.

*Section 122. Allotments to States*

This section describes the manner in which the funds which are available for making grants under this part will be allotted among the States. The Director will reserve up to 2 percent of the amount appropriated for allotment to Puerto Rico, Guam, American Samoa, and the Virgin Islands. The remainder of the funds will be allotted as follows: One-third of the funds will be allotted on the basis of the relative numbers of students enrolled in colleges and universities on a full-time basis in the several States; one-third on the basis of the relative numbers of high school graduates in the several States; one-third on the basis of the relative numbers of children under 18 years of age of families with annual incomes of less than \$3,000 in the several States.



The section provides for reallocation of funds which have not been granted an institution by the end of the fiscal year for which appropriated, and is left to the discretion of the Director.

*Section 123. Grants for work-study programs*

This section contains the basic authority for the Director to enter into agreements with institutions of higher education under which he will make grants to such institutions to assist in the operation of work-study programs.

*Section 124. Conditions of agreements*

Agreements entered into under this part must meet several requirements.

(a) The first is that they must provide for the adoption by the institution of a program for the part-time employment of students. The work may be for the institution itself, or it may be for a public or private nonprofit organization if the position is obtained through an arrangement between the institution and such organization. The work for a public or private nonprofit organization qualifies, however, only if it is related to the student's educational objective, or is work which will be in the public interest and would not otherwise be provided, will not result in displacement of employed workers or impair existing contracts for services, and will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the student employee. No work assisted under this part can involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship.

(b) The agreement must provide that the funds granted the institution will be used only for making payments to students participating in work-study programs. An institution may, however, use a portion of the sums granted to it to meet the administrative expenses related to those students working for public or nonprofit organizations other than the institution itself. The amount used for such administrative expenses may not exceed 5 percent of the payments made to the institution for that part of the work-study program in which the students are doing off-campus work.

(c) The agreement must provide that student participants meet certain requirements. Thus, each student must be from a low-income family, be in need of the earnings from such employment in order to pursue a course of study at the institution, be capable of maintaining good standing in his courses in the institution while employed under the program, and be accepted for enrollment as a full-time student at the institution, or be in good standing there, either as an undergraduate, graduate, or professional student.

(d) The agreement must limit the hours of employment for any student to not more than 15 in any week in which he is or should be attending classes.

(e) The agreement must require the institution to continue to spend in addition to the money received and matched under this program not less than its average annual expenditure for similar programs during the 3 fiscal years preceding the fiscal year in which the agreement is entered into.

(f) The agreement must provide that the Federal share of the compensation of the students under the agreement will not exceed certain percentages. During the period ending 2 years after the enactment of the act, or June 30, 1966, whichever is later, the maximum Federal contribution may not exceed 90 percent of the compensation paid for the work performed. Thereafter, the maximum Federal contribution may not exceed 75 percent of such compensation.

(g) The agreement must include provisions to insure that benefits of work-study programs are reasonably available to all the eligible students.

(h) Finally, the agreement must include such other provisions as the Director finds to be necessary or appropriate to carry out the purposes of the part.

#### *Section 125. Sources of matching funds*

This section makes it clear that the institution may pay its share of the compensation of the student employed under work-study programs from any source other than this part.

#### *Section 126. Equitable distribution of assistance*

This section requires the Director to establish criteria for the distribution of assistance among institutions of higher education within a State as will most effectively carry out the purposes of the act.

### PART D. AUTHORIZATION OF APPROPRIATIONS

#### *Section 131*

The programs of title I (Job Corps, Work-Training, and Work-Study) are established for 3 years. The section authorizes an appropriation of \$412,500,000 for fiscal 1965. For the remaining 2 fiscal years, such sums may be appropriated as the Congress may hereafter authorize by law.

### TITLE II. URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Title II contains three parts: Part A (General Community Action Programs), Part B (Adult Basic Education Programs), and Part C (Authorization of Appropriations).

#### PART A. GENERAL COMMUNITY ACTION PROGRAMS

##### *Section 201. Statement of purpose*

The purpose of part A is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

##### *Section 202. Community action programs*

This section describes the nature of community action programs.

*Subsection (a).*—The term “community action program” means a program—

- (1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in part A as a “community”), including but not limited to a State, metropolitan area, county, city, town, multi-city unit, or multicounty unit in an attack on poverty;



(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof, in which there is maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the communities' problems of poverty.

*Subsection (b)* authorizes the Director of the Office of Economic Opportunity to prescribe such additional criteria for programs carried on under part A as he shall deem appropriate.

### *Section 203. Allotments to States*

This section relates to allotments of funds among the States.

*Subsection (a).*—From the sums appropriated to carry out title II for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205 (financial assistance for development of community action programs, and for conduct and administration of community action programs). Not to exceed 2 percent of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under part A. Twenty percent of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in section 203(b).

*Subsection (b).*—Provides that, of the sums being allotted under section 203—

(1) one-third will be allotted among the States on the basis of the relative numbers of public assistance recipients in the several States;

(2) one-third will be allotted among the States on the basis of the relative annual average numbers of persons unemployed in the States; and

(3) the remaining one-third will be allotted among the States on the basis of the relative numbers of related children under 18 years of age living in families with incomes of less than \$1,000 in the several States.

*Subsection (c).*—The portion of any States' allotment under section 203(a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out part A shall be available for reallocation from time to time during such year. Such reallocations will be in proportion to the other States' original allotments for such year. Such proportionate amount for any of such other States will be reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out part A. The total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this section 203(c)

during a year shall be deemed part of its allotment under section 203(a) for such year.

*Subsection (d).*—For the purposes of section 203 the term “State” does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

*Section 204. Financial assistance for development of community action programs*

This section provides financial assistance to develop community action programs. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

*Section 205. Financial assistance for conduct and administration of community action programs*

This section provides for financial assistance to conduct and administer community action programs.

*Subsection (a).*—The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to part A, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of part A. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of part A, including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

*Subsection (b).*—No grant or contract authorized under part A may provide for general aid to elementary or secondary education in any school or school system.

*Subsection (c).*—In determining whether to extend assistance under section 205, the Director shall consider, among other relevant factors, the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty, the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

*Subsection (d).*—In extending assistance under section 205, the Director shall give special consideration to programs which give



promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

*Section 206. Technical assistance*

The Director is authorized to provide (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

*Section 207. Research, training, and demonstrations*

The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private nonprofit organizations for the conduct of research, training, and demonstrations pertaining to the purposes of part A. Expenditures under section 207 in any fiscal year shall not exceed 15 percent of the sums appropriated or allocated for such year to carry out the purposes of part A.

*Section 208. Limitations on Federal assistance*

*Subsection (a).*—Assistance provided under sections 204 and 205 during the 2-year period following enactment of this bill or before June 30, 1966, whichever date is later, shall not exceed 90 percent of the costs referred to in those sections, and thereafter shall not exceed 50 percent of such costs, unless the Director determines, pursuant to regulations establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of part A. Non-Federal contributions may be in cash or in kind.

*Subsection (b).*—The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

*Section 209. Participation of State agencies*

*Subsection (a).*—The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under part A to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

*Subsection (b).*—The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

*Section 210. Equitable distribution of assistance*

The Director shall establish criteria designed to achieve an equitable distribution of assistance under part A within the State between urban and rural areas. In developing such criteria, the Director shall consider six factors set forth in section 210.

*Section 211. Preference for components of approved programs*

In determining whether to extend assistance under other provisions of the act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to part A.

## PART B. ADULT BASIC EDUCATION PROGRAMS

*Section 212. Declaration of purpose*

This section declares the purpose of part B to be to initiate programs of instruction for individuals, 18 years of age or older, whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability. These programs would be designed to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

*Section 213. Grants to States*

*Subsection (a).*—From the sums appropriated to carry out title II, the Director shall make grants to States which have State plans approved by him under section 213.

*Subsection (b).*—Grants under section 213(a) may be used, in accordance with regulations of the Director, to—

(1) Assist in establishment of pilot projects by local educational agencies, relating to basic education in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212;

(2) Assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) Assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

*Section 214. State plans*

*Subsection (a).*—The Director shall approve, for purposes of part B, the plan of a State which—

(1) Provides for administration thereof by the State educational agency;

(2) Provides that such agency will make such reports and keep such records, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under part B;

(3) Provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under part B (including such funds paid by the State to local educational agencies);

(4) Provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals



described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under part B; and

(5) Sets forth a program for use, in accordance with section 213(b), of grants under part B which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212, and which will give preference to programs and projects which are components of a community action program approved pursuant to part A of title II.

The Director shall not finally disapprove any State plan submitted under part B, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

### *Section 215. Allotments*

*Subsection (a).*—From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 percent thereof, for allotment among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under part B. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State, 18 years old or older, who have completed not more than five grades of school or have not achieved an equivalent level of education. Each State will have a minimum allotment of \$50,000.

*Subsection (b).*—That the portion of any State's allotment under section 215(a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under part B shall be available for reallocation from time to time during such period. Such reallocations will be in proportion to the other States original allotments for such year. Such proportionate amount for any of such other States will be reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan. The total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under section 215(b) during a year shall be deemed part of its allotment under section 215(a) for such year.

*Subsection (c).*—The allotment of any State under section 215(a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under section 215(b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under part B.

### *Section 216. Payments*

*Subsection (a).*—Provides for payment of the Federal share of expenditures under State plans. No such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount

expended for such purposes from such sources during the preceding fiscal year.

*Subsection (b).*—For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 percent. For the succeeding fiscal year the Federal share for any State shall be 50 percent.

*Section 217. Operation of State plans: hearings and judicial review*

*Subsection (a).*—Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under part B, finds that—

(1) The State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) In the administration of the plan there is a failure to comply substantially with any such provision,

the Director shall notify such State agency that no further payments will be made to the State under part B (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under part B (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

*Subsection (b).*—A State educational agency dissatisfied with a final action of the Director under section 214 or section 217(a) may appeal to the U.S. court of appeals for the circuit in which the State is located. The commencement of a proceeding under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

*Section 218. Miscellaneous*

This section defines, for purposes of part B, the terms "State educational agency" and "local educational agency."

PART C. AUTHORIZATION OF APPROPRIATIONS

*Section 221. Authorization of appropriations*

This section provides that the Director shall carry out the programs provided for in title II during the fiscal year ending June 30, 1965, and the 2 succeeding fiscal years. For the purpose of carrying out title II, there is authorized to be appropriated the sum of \$340 million for the fiscal year ending June 30, 1965. For the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE III. SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

*Section 301. Statement of purpose*

This section states that it is the purpose of the title to meet some of the special problems of rural poverty so as to help improve the income and living standards of low-income rural families and migrant agricultural employees and their families.



## PART A. AUTHORITY TO MAKE GRANTS AND LOANS

*Section 302* contains the basic authority for the Director to make grants and loans to low-income rural families.

Grants can be made under this section to low-income rural families where in the Director's judgment such grants have a reasonable possibility of effecting a permanent increase in the family income by assisting or permitting them to do one of the following things:

- (1) Acquire or improve real property or reduce encumbrances or erect improvements thereon.
- (2) Operate or improve the operation of farms, not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment.
- (3) Participate in cooperative associations.
- (4) Finance nonagricultural enterprises which will enable such families to supplement their income.

The maximum grant which may be made under this provision to any family is \$1,500.

The Director is also authorized to make loans to low-income rural families to finance nonagricultural enterprises which will enable such families to supplement their income. The aggregate amount which may be loaned to a family under this provision is \$2,500. These loans will have a maximum maturity of 15 years. (Section 606 of the bill contains provisions for the creation of a revolving fund to finance these loans.)

It should be noted that grants under this section can be made only if the family is not qualified to obtain such funds by loan under other Federal programs. However, this would not prevent the making of grants where appropriate in combination with or as supplemental to loans made under this program or under other Federal programs.

*Section 303. Family farm development corporations*

Subsection (a) of this section authorizes the Director to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations for the improvement of the productivity and income of low-income families. These corporations will acquire real property in rural areas, develop and reconstitute the property into units not larger than family farms (including fences, farm buildings, land and water development, and related facilities), and will then sell each farm so developed and reconstituted to a low-income farm family at a price equal to its appraised value when used for agricultural purposes. Sales made by the corporation will be subject to the condition that for 20 years from the date thereof, upon any resale of the farm the resale proceeds in excess of such appraised value up to the amount of the corporation's investment in the property (less the then value of any improvements placed on the farm by the purchaser from the corporation or his successors), will be payable to the corporation. This obligation will constitute a first lien on the property. The Director will prescribe rules and regulations regarding the organization, financial resources, operations and activities of such corporations. He is also authorized to provide loans to such corporations, and he may make grants to them in amounts sufficient to make up the deficiency between the cost of the farms developed or reconstituted by a corporation and the net proceeds received from the sale of the farm.

*Section 304. Cooperative associations*

This section authorizes the Director to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

*Section 305. Limitations on assistance*

No financial or other assistance may be provided under this part unless it will materially further the purposes of this part, and, in the case of assistance provided for family farm development corporations and cooperative associations, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

*Section 306. Loan terms and conditions*

Loans made under this part will have such terms and conditions as the Director will determine. However, there must be a reasonable assurance of repayment of the loan; credit must not otherwise be available on reasonable terms from private sources or other Federal, State, or local programs; the amount of the loan, together with other funds available, must be adequate to assure completion of the project or achievement of the purposes for which the loan is made; the loan must bear interest at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes; the loan must be repayable within not more than 30 years if it is a loan to a family farm development corporation or a cooperative association. It is also provided that none of the assistance under this part can be provided to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

PART B. ASSISTANCE FOR MIGRANT AGRICULTURAL EMPLOYEES AND THEIR FAMILIES

This part requires the Director to develop and carry out as soon as practicable a program to assist States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs for the assistance of migrant agricultural employees and their families. These programs will be in the fields of housing, sanitation, education, and day care of children. In the case of institutions, organizations, farm associations, or individuals, the assistance is limited to direct loans.

PART C. AUTHORIZATION OF APPROPRIATIONS

This part requires the Director to carry out the programs provided for in the title for 3 fiscal years. It also authorizes the appropriation of \$50 million for the fiscal year 1965. For the next 2 fiscal years of the program only such sums may be appropriated as the Congress may hereafter authorize by law. It is provided that \$15 million of the funds appropriated under other titles of this act for fiscal year 1965 may also be utilized for the purposes of part B of this title.



## TITLE IV. EMPLOYMENT AND INVESTMENT INCENTIVES

*Section 401. Statement of purpose*

It is the purpose of title IV to assist in the establishment, preservation, and strengthening of small business concerns and to improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

*Section 402. Loans, participations, and guarantees*

This section authorizes the Director to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than 15 years, to any small business concern (as defined in sec. 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of title IV, with particular emphasis on employment of the long-term unemployed. No such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

*Section 403. Coordination with community action programs*

No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of the act unless such financial assistance is determined by him to be consistent with such program.

*Section 404. Financing under Small Business Act*

This section provides that such lending and guarantee functions under title IV as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that act (15 U.S.C. 636(a), 636(b), 637(a)).

*Section 405. Loan terms and conditions*

This section provides that loans made pursuant to section 402 (including immediate participations in and guarantees of such loans) must have such terms and conditions as the Director shall determine, subject to the six limitations—

- (a) there is reasonable assurance of repayment of the loan;
- (b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;
- (c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interests at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes. The rate of interest on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

#### *Section 406. Limitation on financial assistance*

This section prohibits use of Federal funds under this title to relocate businesses or to finance the transfer of work from one area to another.

#### *Section 407. Duration of program*

This section provides that the Director shall carry out the programs provided for in title IV during the fiscal year ending June 30, 1965, and the 2 succeeding fiscal years.

### TITLE V. WORK EXPERIENCE PROGRAMS

#### *Section 501. Statement of purpose*

The purpose of this title is to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, maximum use will be made of programs available under the Manpower Development and Training Act of 1962, as amended, and the Vocational Education Act of 1963.

#### *Section 502. Payments for experimental, pilot, and demonstration projects*

Section 1115 of the Social Security Act now provides for experimental, pilot, or demonstration projects which in the judgment of the Secretary of Health, Education, and Welfare are likely to assist in promoting the objectives of any of the public assistance titles of the Social Security Act. This section of the bill authorizes the Director to transfer funds appropriated to carry out the title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under such section 1115 in order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence. Payments made under this section will be subject to the limitations contained in section 409(a) (1) to (6), inclusive, of the Social Security Act. This would make applicable provisions in the Social Security Act requiring inclusion in a State plan of provisions to assure (1) appropriate health and safety standards in work programs, (2) appropriate payments for the work performed, (3) that regular workers will not be displaced, (4) consideration of work expenses in



determining need, (5) opportunity for the individual to seek regular employment and employment training, and (6) coverage under workmen's compensation. The costs of these projects to the United States for the fiscal year ending June 30, 1965, will, notwithstanding the provisions of the Social Security Act, be met entirely from funds appropriated or allocated to carry out this title. The provision of the Social Security Act which is made inapplicable, as described in the preceding sentence, permits expenditure of funds under section 1115 to meet the non-Federal share of the project. The public assistance titles then meet the Federal share of such a project. Section 502 of this bill would require that all Federal payments for Social Security Act section 1115 projects be paid from funds appropriated under this bill, instead of utilizing other titles of the Social Security Act to meet part of the costs.

*Section 503. Authorization of appropriations*

This section requires the Director to carry out the program provided for in this title during the next 3 fiscal years. The section also authorizes the appropriation of \$150 million for the fiscal year ending June 30, 1965. For the next 2 fiscal years only such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE VI. ADMINISTRATION AND COORDINATION

PART A. ADMINISTRATION

*Section 601. Office of Economic Opportunity*

*Subsection (a)* of this section establishes in the Executive Office of the President a new independent agency to be known as the Office of Economic Opportunity. The Office will be headed by a Director who will be appointed by the President, by and with the advice and consent of the Senate. There will be in the Office a Deputy Director and three Assistant Directors who will also be appointed by the President and subject to Senate confirmation, and who will perform such functions as the Director prescribes.

*Subsection (b)* of this section permits, but does not require, the President to transfer the Office of Economic Opportunity from the Executive Office of the President and to establish it elsewhere in the executive branch, by complying with the procedures established in the Reorganization Act of 1949, even though such act may have expired for other purposes.

*Subsections (c), (d), and (e)* provide that the compensation of the Director, Deputy Director and Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at rates not in excess of the annual rates of compensation payable respectively to the Director of the Bureau of the Budget, the Deputy Director of the Bureau of the Budget, and the assistant secretaries of the executive departments.

*Section 602. Authority of Director*

This section confers upon the Director certain authority which will be in addition to that already given him in other portions of the act.

*Subsection (a)* authorizes him to appoint personnel.

*Subsection (b)* authorizes him to employ and compensate experts and consultants.

*Subsection (c)* authorizes the appointment of one or more advisory committees composed of private citizens or officials of Federal, State, or local governments, as the Director deems advisable, to advise him with respect to his functions under the act. Members of these committees will receive compensation and travel expenses on the same basis as do the experts and consultants referred to above. This paragraph makes clear that, notwithstanding the provisions of sections 551 and 673 of title 31, United States Code, funds made available under the act may be expended in connection with meetings concerned with the purposes of the act.

*Subsection (d)* authorizes the Director, with the approval of the President, to arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under the act, and, as necessary or appropriate, to delegate any of his powers under the act and to authorize the redelegation thereof.

*Subsection (e)* authorizes him to utilize, with their consent, the services and facilities of other Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, to accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement.

*Subsection (f)* authorizes the Director to accept property by gift, devise, bequest, or otherwise, and to employ or dispose of such property in furtherance of the purposes of the act.

*Subsection (g)* authorizes him to accept voluntary and uncompensated services. 31 U.S.C. 665(b) would otherwise prohibit acceptance of voluntary services.

*Subsection (h)* authorizes the Director to allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under the act as he deems necessary to carry out the provisions thereof. There is specific inclusion of such authority with respect to expenditures for construction, repairs, and capital improvements without regard to the provisions of 10 U.S.C. 4774(d), relating to specific appropriations and authority for building permanent structures.

*Section (i)* authorizes him to disseminate data and information in such form as he shall deem appropriate to public agencies, private organizations, and the general public, without regard to the restrictions on penalty mail in 39 U.S.C. 4154.

*Subsection (j)* authorizes him to adopt an official seal which shall be judicially noticed.

*Subsection (k)* provides that notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property of the United States, the Director may deal with, renovate, rent, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guarantees made under the act.

*Subsection (l)* authorizes him to collect or compromise all obligations to or held by him, and all legal and equitable rights accruing to him, in connection with the payment of obligations until they are referred to the Attorney General for suit or collection.

*Subsection (m)* provides that he may expend funds for printing and binding and make arrangements for needed physical space, outside normal Government channels, but only when the nature of the item, service, or facility needed is such that it cannot be obtained



through these channels in the time, form, quality, or quantity the program requires. Each exercise of this authority must be preceded by a written notice and justification directed to the Administrator of the General Services Administration or the chairman of the Joint Committee on Printing, whichever is appropriate.

*Subsection (n)* authorizes him to establish such policies, standards, criteria, and procedures, to prescribe such rules and regulations, to enter into such contracts and agreements with public agencies and private organizations and persons, to make such payments, and generally to perform such functions and take such steps as he may deem necessary or appropriate to carry out the provisions of the act.

*Section 603. Volunteers in service to America*

This section authorizes the Director to recruit, select, and train volunteers to perform duties in furtherance of programs combating poverty at State or local levels. Upon request of State or local agencies or private nonprofit organizations these volunteers will be referred for the above duties. The Director may also recruit, select, and train volunteers and, in cooperation with other Federal, State, or local agencies, assign them to work (1) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands, (2) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds, and (3) in furtherance of programs or activities authorized or supported under title I or II of the act.

Referral or assignment of volunteers shall be on such terms and conditions as the Director may determine. No volunteers will be referred or assigned to duties or work in any State without the consent of the Governor thereof.

The Director is authorized to provide to all volunteers during training, and to "assigned" (as distinguished from "referred") volunteers, a stipend, not to exceed \$50 a month, such living, travel, and leave allowances, and such housing transportation, supplies, equipment, subsistence, clothing, health, and dental care as he may deem necessary or appropriate.

Volunteers will not be deemed to be Federal employees and will not be subject to provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training, and "assigned" volunteers shall be deemed Federal employees to the same extent as are enrollees of the Job Corps under section 106.

*Section 604. Economic Opportunity Council*

This section establishes an Economic Opportunity Council which will consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government. This Council will include the Director, who will be its Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business

Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

*Section 605. National Advisory Council*

This section establishes in the Office a National Advisory Council. The Council will be composed of the Director who will be chairman, and not more than 14 additional members appointed by the President without regard to the civil service laws who will be representative of the public in general and appropriate fields of endeavor related to the purposes of the act. Upon request of the Director, the Council will review the operations and activities of the Office of Economic Opportunity, and will make such recommendations with respect thereto as are appropriate. The Council will meet at least once each year and at such other times as the Director may request.

*Section 606. Revolving fund*

*Subsection (a).*—This section authorizes the establishment of a revolving fund to enable the Director to carry out the lending and guarantee functions authorized under titles III and IV of the act. The capital of the fund will consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to the section which authorizes appropriations for title III and will remain available until expended.

*Subsection (b).*—The Director is required to pay into miscellaneous receipts of the Treasury at the close of each fiscal year interest on the capital of the fund at a rate determined by the Secretary of the Treasury. In fixing such rates the Secretary of the Treasury shall take into consideration the average market yield on outstanding Treasury obligations of comparable maturity.

*Subsection (c).*—When any capital in the fund is determined by the Director to be in excess of current needs, it shall be credited to the appropriation from which advanced where it shall be held for future advances in accordance with the terms of such appropriation.

*Subsection (d).*—Receipts from any lending and guarantee operations under the act, except operations under title IV carried on by the Small Business Administration, will be credited to the fund. The fund will be available for the payment of all expenditures of the Director for loans, participations, and guarantees authorized under titles III and IV of the act including administration expenses related thereto.

*Section 607. Labor standards*

This section provides that all laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under the act will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

*Section 608. Reports*

This section requires the Director to prepare and to submit to the President for transmittal to the Congress, not later than 120 days after the close of each fiscal year, a full and complete report on the activities of the Office of Economic Opportunity during such year.



*Section 609. Definitions*

This section defines the term "State" to include the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands. When used in a geographical sense, the term "United States" also includes the Trust Territory of the Pacific Islands. The term "agency," unless the context requires otherwise, means any department, agency, or other component of a Federal, State, or local governmental entity. The term "family" in the case of a Job Corps enrollee means the spouse or child of an enrollee and any other relative who draws substantial support from the enrollee.

**PART B. COORDINATION OF ANTIPOVERTY PROGRAMS***Section 611. Coordination*

This section authorizes the Director to call on other Federal agencies to supply such material as he deems necessary to carry out the act and to assist the President in coordinating the antipoverty efforts of all Federal agencies. Federal agencies which are engaged in administering programs related to the purposes of the act or which otherwise perform functions related thereto are required to cooperate with the Director in carrying out his duties and responsibilities under the act and to carry out their programs and exercise their functions in a manner which will to the maximum extent permitted by other applicable law assist in carrying out the purpose of this act. The President is authorized to direct that particular programs and functions, including the expenditure of funds, of other Federal agencies be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this act. It is also provided that no funds appropriated to carry out the act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

*Section 612. Preference to community action programs*

This section requires the head of each Federal agency, to the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this act, to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved under title II.

*Section 613. Information center*

In order to insure that all Federal programs related to the purposes of the act are utilized to the maximum extent possible, and to insure that information concerning such programs, and other relevant information, is readily available in one place to public officials and other interested persons, the Director is authorized to collect, prepare, analyze, correlate, and distribute such information and to make arrangements for any printing and binding, without regard to the provisions of any other law or regulation.

*Section 614. Prohibition of Federal control*

This section provides that nothing in the act will be construed to authorize any Federal agency to exercise any direction, supervision,

or control over the curriculum, program of instruction, administration, or personnel of any educational institutional or school system.

*Section 615. Authorization of appropriations*

This section requires the Director to carry out the programs provided for in the title during the fiscal year 1965 and the 2 succeeding fiscal years. It also authorizes the appropriation of \$10 million for the fiscal year ending June 30, 1965. For the next 2 fiscal years only such sums may be appropriated as the Congress may hereafter authorize by law.

**TITLE VII. TREATMENT OF UNEMPLOYMENT COMPENSATION BENEFITS  
AND INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES**

*Section 701. Unemployment Compensation*

*Subsection (a).*—As a matter of policy, no individual otherwise entitled to unemployment compensation benefits should be denied such benefits, or have them reduced solely because of participation in programs authorized under title I or II of this act.

*Subsection (b).*—No individual shall be denied participation in programs authorized by title I or II of this act because of benefits received under any unemployment compensation law.

*Section 702. Public assistance*

This section deals with the treatment of the payments made under titles I, II, and III of this act for the purposes of the public assistance titles of the Social Security Act. It is designed to exempt to some extent payments to individuals under this act from provisions of the Social Security Act which require that income and resources of a recipient of public assistance be taken into account in determining need and the amount of the public assistance payment. Section 701 provides that a State plan approved under any of the public assistance titles of the Social Security Act shall provide that the first \$85 a month, and one-half of any additional amounts, paid to any person under title I or II of this act or any program assisted under such title will not be regarded as income or resources in determining need under the approved plan or as income or resources of any other individual in determining the need of such other individual under such approved State plan. The State plan must also provide that no payments made under either of such titles or such a program will be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual. And the State plan must provide that no grant made to a family under title III will be regarded as income or resources of the family in determining the need of any member thereof under such plan.

Subsection (b) provides that no funds to which a State is otherwise entitled under any of the public assistance titles of the Social Security Act for any period before July 1, 1965, will be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).





## MINORITY VIEWS

The undersigned members of the committee oppose the enactment of this bill. We consider it an attempt to reap political rewards from the American people's natural and human desire to improve the lot of our less fortunate citizens. The poverty program and the claims and justification which have accompanied it constitute a curious combination of the techniques made famous by the phrases "Madison Avenue" and "The Wizard of Oz."

This bill, with its generous use of programs tried during the depression-ridden thirties, is illusory in leaving untouched the difficulties which prevent some Americans from sharing in our general prosperity. At best, the hodgepodge of programs which make up S. 2642, treat only the results, not the causes of poverty. In short, the bill, whatever its professed purposes, seems designed to achieve the single objective of securing votes; the problems of the truly destitute will not be solved by this legislation.

## THE WAR ON POVERTY

On March 16, 1964, President Lyndon B. Johnson, launched his much heralded "War on Poverty." In his message to the Congress that day, he proclaimed no less an objective than "total victory." It is ironic to note that "victory" is a policy which the administration is congenitally unable to propose in the realm of foreign affairs; yet this great objective is dangled misleadingly before America's poor without the slightest hesitation.

Professor Emeritus Harley L. Lutz, of Princeton University, recently described the problems surrounding both the real and the illusory wars on poverty as follows:

"War on Poverty" is a slogan that can reasonably be expected to yield considerable political mileage. No one is in favor of poverty and criticism of a program purporting to deal with it is as risky, politically, as being in favor of sin or against motherhood.

Yet the odds are heavily against complete elimination of poverty by any kind or degree of Government action. The dramatic announcement of the slogan may carry for some the implication that theretofore poverty had been tolerated but that little serious thought or effort had been given to its amelioration.

The fact is that the whole history of economic progress is a record of the struggle against poverty in the sense of a scarcity or deficiency of goods in relation to needs. Everything that has been done to increase production, from the most primitive tools and implements to today's enormous complex of machines, materials, technology, and skills has broadened and strengthened the drive to minimize scarcity.



The essentially specious nature of the Johnson "war" is illustrated by the confusing and misleading descriptions of those who are supposed to be helped by this bill. It was necessary, of course, to define poverty before a public relations offensive could be launched against it.

The President, in his "Message on Poverty," conjured up the following bleak portrait of destitution in America.

"What does this poverty mean to those who endure it?"

"It means a daily struggle to secure the necessities for even a meager existence."

Remarks such as these have led the American people to believe that a large number of our people are virtually starving, and parenthetically, that they would be saved by the Johnson poverty program. This compelling and emotionally explosive picture is, in fact, the key to the political impact and value of the bill.

A vastly different picture emerges, however, when the administration goes beyond this "Grapes of Wrath" imagery and attempts to describe in detail what poverty really is in the America of today. Walter Heller, the Chairman of the President's Council of Economic Advisers outlined what he called the dimensions of poverty as follows:

\* \* \* a series of standards converge on a \$3,000 annual family income, or roughly \$60 a week—and a \$1,500 single-person income, or roughly \$30 a week—as the statistical dividing line which sets off the poor in America today.

By this widely accepted benchmark, one-fifth of America's families live in poverty: 9.3 million families, or 35 million persons.

The misleading and inconsistent nature of this benchmark can be shown by one or two examples of its practical application:

Defense Department figures indicate that 1,049,248 members of the U.S. Armed Forces had less than a \$3,000 annual income, including all allowances for food, clothing, shelter, plus the value of Federal income tax exemptions. Are we to believe that a substantial proportion of our servicemen are among those who Mr. Johnson claims are engaged in a daily struggle to barely exist?

Another interesting insight into the validity of the administration's poverty yardstick is that the average individual, retired on social security benefits supplemented by part-time wages, loses all social security benefits before he can reach a total annual income of \$3,000.

Sargent Shriver, the administration's chief antipoverty advocate, has conceded, moreover, that the Johnson-Heller yardstick is fallacious. He stated, in the hearings before our Select Committee on Poverty, that:

The definition or the cutoff point that the Council of Economic Advisers has used, of the \$3,000, is the subject of criticism, because there is no question about the fact that some people who have an income of more than \$3,000 in a particular year are poor, and some people who have less than an income of \$3,000 in a particular year are not poor.

There is an obvious conflict between a poverty definition which includes servicemen, farmers, and retired persons within its 35-million person reach and another definition which describes abject destitution. Despite this obvious conflict, the two concepts have been used

interchangeably by the Johnson administration in a desperate attempt to sell this program. This, we submit, is political slight of hand of the very worst sort.

#### HIGH PRESSURE TACTICS RESULT IN THE BILL RECEIVING INADEQUATE CONSIDERATION

The "war on poverty" if we are to believe President Johnson, is one of the three major legislative objectives of his administration. The President and his supporters have been blowing the publicity trumpets for months and apparently intend to make poverty a prime campaign issue. It would seem only logical then, that the administration's supporters within the U.S. Senate generally, and within the Labor Committee in particular, would devote an equal amount of attention to the bill as it was moved through the legislative process.

Instead, however, of developing a massive and thoroughly reasoned case for the program, the administration and its followers within the committee rushed the bill through with such haste that its record is practically nonexistent. Consider, for a moment, the following facts regarding the consideration and attention devoted to the 70-odd pages of S. 2642 by the Select Subcommittee on Poverty and the Committee on Labor and Public Welfare itself:

- (1) The bill includes some seven titles, nine separate programs, and establishes a new bureaucratic apparatus; its scope is so vast that it could affect virtually every section, community, and person in the country.

- (2) Despite the scope of the bill's programs and its length, only two witnesses were presented by the administration to make its case.

- (3) R. Sargent Shriver, the proposed "poverty czar," read a statement one page long as his presentation in behalf of the bill; he then spent portions of 3 different days answering questions. This exercise, which barely scratches the surface of the problems and implications contained in the proposal, was reported in 91 pages of the hearings, only a few more than the bill itself.

- (4) Secretary of Labor W. Willard Wirtz, the other administration witness, was able to conclude his testimony within approximately 15 minutes.

- (5) The hearings on the bill lasted only 4 days.

- (6) The Select Subcommittee on Poverty met once in executive session and reported the bill to the full committee within 2 hours; the full committee also held a single executive session which resulted in the bill being hurried on to the Senate Calendar. Thus, from the close of the hearings on June 24, 1964, to the full committee's action on July 7, 1964, less than 12 days were allowed the committee members for study of this long and complex bill.

We contend that the cursory and superficial consideration given this bill is more appropriate to the practices of some of the pseudo-democratic legislatures of the world than to those of the greatest deliberative body on earth, the U.S. Senate. In the headlong rush to get the poverty program through the committee, the members simply lacked the time to study the bill adequately.

It is instructive to note, in this connection, that some of the majority members who were so willing to push the poverty bill through the



committee have not always treated the legislative process in so cavalier a fashion. In 1954, the Democratic members of the committee, who were then in the minority, violently objected to the amendments to the Taft-Hartley Act which were reported out by the Republican majority. Their indignation was particularly directed toward the "haste" in which the bill moved through the committee. They stated that "the bill was reported by using steamroller tactics that constitute a flagrant disregard for essential and long-established Senate committee practices and procedures." We suggest that it is somewhat paradoxical, to put it mildly, for those who raised this hue and cry in 1954 to rush a major piece of legislation through this committee in 1964.

A further factor which contributed to the type of attention, or rather lack of attention, which this proposal has received is that at least two of the key titles of the bill do not properly fall within the jurisdiction of this committee. Title IV, the employment and investment incentives program, is to be administered by the Small Business Administration. The SBA, and legislation regarding it, comes within the purview of the Banking and Currency Committee. Nevertheless, this committee's lack of expertise in this area did not prevent the administration from throwing the small business program in with the rest of the poverty grab bag for our consideration.

Perhaps a more flagrant perversion of the functions of the committee system can be observed in the bill's inclusion of Title III: Special Programs To Combat Poverty in Rural Areas. The proposals included within this title infringe upon important Federal agricultural programs and would affect our entire agricultural economy. The Agriculture Committee, whose members are knowledgeable in this complex and specialized area, should, if any rational procedure was followed, have considered this title. That the proper committee was bypassed and our committee, whose members do not include a single Agriculture Committee member, undertook to legislate a farm program is symptomatic of the errors which can infect those who act in haste. In short, this legislative bungle illustrates that almost "anything goes" where President Johnson's "war on poverty" is concerned.

#### THE BASIC CAUSE OF POVERTY TODAY

An elementary first step in any effort to eradicate poverty would seem to be that of determining its causes. President Johnson gave tacit recognition to this when, in his message to Congress, he declared that his program "strikes at the causes, not just the consequences of poverty."

A recent study published by the American Council on Education, written by Dr. Grant Venn, pointed out that the United States is confronted by the paradox of between 4 and 5 million persons unemployed, while there are job openings for some 4 million skilled workers constantly available. The study went on to state that "young people are entering a technological world of work unequipped with tools they need for survival."

The cause of poverty, the condition which results from an inadequate income, is the inability on the part of a large number of Americans to qualify for the millions of adequately paying jobs which are going begging. A majority of the people who constitute America's poor, by

whatever definition is used, are in that predicament because they do not possess the needed skills. It is patently obvious that providing these people with skills is the only possible means of getting at the cause rather than the consequences of poverty.

It seems plain, therefore, that any program which does not provide our young and, for that matter, our older citizens with necessary "tools" is doomed to failure.

This incontrovertible fact of life is, however, seemingly lost on the present administration. The advocates of S. 2642 do not even contend that its variety of programs will give our poorer citizens the skilled training they need if they are to increase their incomes.

A graphic admission of this bill's worthlessness was made by Secretary of Labor Wirtz, when, referring to 1963's youth employment bill which is contained, substantially, in S. 2642 as the "Job Corps," said that "there is no suggestion that this training program will qualify one of the enrollees for a skilled occupation. That we should dismiss completely."

#### THE POVERTY PACKAGE—A THROWBACK TO THE THIRTIES

A logical explanation for the administration's failure to develop a program which comes to grips with the basic cause of today's poverty is that its thinking is geared to the problems and the nostrums of a bygone era, the 1930's. Several of the proposals contained within the bill are, in fact, almost exact replicas of programs that were tried by the New Deal during the depression.

The Job Corps, the work-study program, and the rural area title found in this bill all trace their lineage directly from the Civilian Conservation Corps (CCC), the National Youth Administration (NYA), and the farm resettlement programs of the thirties. In addition, title II of the bill, the community action portions, is a sort of retread WPA. These and other measures authorized by this bill will attempt to apply desperation procedures that may have been appropriate in the emergency conditions of the 1930's to the challenges that we face today in a completely different domestic and world economic environment.

These New Deal programs were designed to afford make-work relief employment at a time when more than 20 percent of the labor force was jobless. Today, as we have indicated, the unemployment problem is much less severe in total impact and is largely related to the rising but unsatisfied demand for workers possessing new skills.

#### THE JOB CORPS—A NEW CCC

Although the proponents of the Job Corps have made a to-do about the program's alleged value in making youths "more employable" the best, and incidentally the only, justification for this claim that they have been able to come up with is that better work habits will be developed. The Corps, we are told, will prepare these young people to take and complete the training they actually need.

The specific accomplishments which the Corps is to inculcate into its members include improved physical health, increased weight, cheerfulness, self-confidence, and a feeling of security. These benefits, mainly psychological or esthetic in nature, are not to be deprecated.



When they are combined with the conservation aspects of the Corps, the program has obvious appeal as a force for "good."

We do not dispute the possible esthetic or psychological values of this program. We submit, however, that the fact that the Corps would be "nice" or "good" is not enough to justify the expenditure of millions of the taxpayers' dollars. For the underlying purpose of the program is claimed to be the improvement of the employment prospects of our youth. Supplying them with suntans and an appreciation for outdoor living clearly won't help them find jobs.

One further aspect of the proposed resurrection of the CCC deserves some attention even in this necessarily brief critique.

We contend that this legislation, in addition to failing to meet the problems of our young people, would do positive harm. Several provisions of the bill consciously weaken the family relationship which has been the backbone of our free society for hundreds of years.

The tie between parent and child is severed by some of the bill's provisions. For example, young men and women, some as young as 16 years of age, may join the Corps without the permission of their parents.

Once in the Corps, the child will be given whatever money he or she earns without reference to the parents or legal guardian, with the single exception that the Director may decide, in his wisdom, to pay a portion of the earnings to a member of the enrollee's family.

These aspects of the Job Corps constitute a further development in the erosion of the institution of the American family which has been such an ominous and expanding characteristic of American life during the past generation. Ignoring the family and treating children as if they were wards of the state were common to Soviet Russia, Nazi Germany, and Fascist Italy, and were in fact important devices for building and strengthening the totalitarian state.

#### OTHER DEPRESSION ERA REVIVALS

It is truly remarkable to contemplate the inclusion within this bill of two of the New Deal years' most ill-fated innovations. The revivals of the National Youth Administration and the farm resettlement programs of that bygone era are notable even for this poorly conceived legislation. These programs were generally accepted as ignominious failures even back in the depressed 1930's.

The rural area program title III contains two particularly dubious provisions. The first is the section which permits the "poverty czar" to give grants and loans totaling up to \$4,000 to low-income farmers whose operations are so marginal and unpromising as to disqualify them for FHA loans. This program the American Farm Bureau has pointed out would operate to perpetuate subsistence farming and rural slums.

Existing FHA loan programs for farmers are designed to help those who have some reasonable chance of creating a going agricultural concern. The inevitable result of this title will be to keep some farmers in poverty.

The second aspect of the bill's rural aid provisions which requires some comment is the family farm development corporations section. This land reform proposal is taken directly from the unsuccessful resettlement program which was run by the Farm Security Administra-

tion back in the 1930's. The provision authorizes the Director to organize public or private corporations and to finance their purchase of farmland which would then be reconstituted into family-sized farms and resold to "poor" farmers at a loss borne by the taxpayer.

This, as the American Farm Bureau has stated, "is an old and reactionary idea. The result would be stabilized Government-directed and subsidized poverty." The farm resettlement program, it should be noted, was abandoned after a few years' trial during the Roosevelt administration.

The reason for its abandonment can be made clear through a brief reference to a House committee's investigation of the program. A select committee of the House Agriculture Committee completed its study of the resettlement program in 1944. Among its highly critical findings was the following:

The investigation disclosed that, beginning with the administration of Rexford G. Tugwell and continuing throughout the administration of C. B. Baldwin, the Farm Security Administration was financing communistic resettlement projects, where the families could never own homes or be paid for all that they made or for all the time they worked, and was supervising its borrowers to the extent of telling the borrower how to raise his children, how to plan his home-life, and, it is strongly suspected in some cases, how to vote. Some families were "kept on the Government" indefinitely, while other families that were willing to work just as hard and do their best to pay their debts, would not get any help from the Government at all.

It is not at all surprising that such a program, based upon a philosophy which is alien to the best traditions of our country, was discontinued. It is, however, shocking that this reactionary concept, found unsuitable even in the social experiment and emergency days of the depression, has been exhumed from the decent burial it was given years ago, and included in the proposed poverty program.

The current situation which involves a lack of needed skills among our poorer citizens is in marked contrast to the conditions that prevailed in the thirties. Then the 13 million unemployed included men and women possessing all degrees of education and skilled training. During this era skilled jobs were not going begging by the millions. In short, we were in the midst of an overpowering depression which required all kinds of desperate measures.

The problems of the sixties will not be solved by adopting the panic programs of another era. What is necessary, obviously, are reasoned answers to the problems of today, not yesterday.

#### THE EXISTING "WAR ON POVERTY"

The Madison Avenue hoopla surrounding the poverty war has left a distinct impression that people generally and the Federal Government in particular have just discovered that there are poor in our midst and that something should be done to help them. This hoopla, which is typical of the drive being made to sell this bill, is so completely misleading as to hardly warrant any rebuttal here.

The most obvious means, however, of correcting any false impressions which may have been created on this score is to refer to the



myriad of existing Federal programs designed to combat poverty. No less than 42 programs, many of which have been in operation for decades, are aimed at various facets of the poverty problem. These programs have appropriations totaling more than \$30 billion in fiscal 1964; obviously then, the Federal Government is not ignoring poverty.

Without commenting on the merits of any of the existing programs, we believe that it is essential to note that fighting poverty is not an exercise that began with the administration of Lyndon B. Johnson. Following is a list of programs which was included in the minority views on the Landrum-Powell bill in the House Labor Committee:

*Federal programs currently operating to combat poverty (appropriations for fiscal year 1964)*

[In thousands of dollars]

|                                                                   | 1964<br>appropriation |
|-------------------------------------------------------------------|-----------------------|
| <b>DEPARTMENT OF AGRICULTURE</b>                                  |                       |
| 1. Extension services.....                                        | 80, 180               |
| 2. Rural renewal.....                                             | 1, 200                |
| 3. Rural housing for elderly.....                                 | 3, 500                |
| 4. Direct loans.....                                              | 486, 000              |
| 5. Rural housing repairs.....                                     | 3, 355                |
| 6. Housing for domestic farm laborers.....                        | 3, 000                |
| 7. Food distribution:                                             |                       |
| Sec. 32 and CCC (domestic).....                                   | 416, 200              |
| Food stamp.....                                                   | 44, 600               |
| School lunch.....                                                 | 182, 000              |
| Special milk.....                                                 | 100, 000              |
| 8. Forestry and soil conservation.....                            | 509, 000              |
| <b>Total.....</b>                                                 | <b>1, 829, 035</b>    |
| <b>DEPARTMENT OF COMMERCE</b>                                     |                       |
| 9. Vocational training and retraining in redevelopment areas..... | 8, 500                |
| 10. Industrial and commercial loans.....                          | 132, 000              |
| 11. Public facility loans.....                                    | (1)                   |
| Public facility grants.....                                       | (1)                   |
| 12. Technical assistance.....                                     | 4, 500                |
| <b>Total.....</b>                                                 | <b>145, 000</b>       |
| <b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</b>               |                       |
| 13. Public health.....                                            | 1, 483, 787           |
| 14. Indian health.....                                            | 65, 048               |
| 15. Maternal, child health, and crippled children.....            | 68, 777               |
| 16. Vocational education.....                                     | 56, 917               |
| 17. Public library services and construction.....                 | 7, 500                |
| 18. Aid to impacted areas.....                                    | 344, 410              |
| 19. National Defense Education Act.....                           | 235, 788              |
| 20. Teachers of handicapped children.....                         | 14, 185               |
| 21. Old-age, survivors, and disability insurance benefits.....    | 17, 071, 940          |
| 22. Public assistance.....                                        | 2, 886, 055           |
| 23. Child welfare services.....                                   | 32, 943               |
| 24. Juvenile delinquency.....                                     | 6, 950                |
| 25. Vocational rehabilitation.....                                | 128, 407              |
| 26. Manpower development and training.....                        | 164, 977              |
| <b>Total.....</b>                                                 | <b>22, 567, 684</b>   |

Included in item 10.

*Federal programs currently operating to combat poverty (appropriations for fiscal year 1964)—Continued*

[In thousands of dollars]

|                                                                                                                                               | 1964<br>appropriation |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>HOUSING AND HOME FINANCE AGENCY</b>                                                                                                        |                       |
| 27. Urban planning.....                                                                                                                       | 21, 150               |
| 28. Urban renewal—contract authority.....                                                                                                     | 1, 400, 000           |
| Appropriation to liquidate contract authority.....                                                                                            | 104, 805              |
| 29. Mortgage insurance—permanent indefinite authorization to<br>expend from corporate debt receipts.....                                      | 142, 395              |
| 30. Low-rent public housing.....                                                                                                              | 212, 484              |
| 31. Public facility construction—financed from authorization to<br>expend from public debt receipts enacted in 1961.....                      | -----                 |
| 32. Low-income housing demonstration projects.....                                                                                            | 43                    |
| Contract authority.....                                                                                                                       | 5, 000                |
| Appropriation to liquidate contract authority.....                                                                                            | 1, 157                |
| 33. Loans for housing for the elderly.....                                                                                                    | 100, 000              |
| 34. Federal National Mortgage Association—financed from author-<br>ization to expend from public debt receipts enacted in prior<br>years..... | -----                 |
| Total.....                                                                                                                                    | 1, 987, 034           |
| <b>DEPARTMENT OF THE INTERIOR</b>                                                                                                             |                       |
| 35. Indian affairs.....                                                                                                                       | 217, 541              |
| 36. Conservation:                                                                                                                             |                       |
| Bureau of Land Management.....                                                                                                                | 126, 364              |
| Geological Survey.....                                                                                                                        | 63, 700               |
| Bureau of Reclamation.....                                                                                                                    | 357, 531              |
| National Park Service.....                                                                                                                    | 128, 976              |
| Fish and Wildlife Service.....                                                                                                                | 109, 449              |
| 37. Research in health and safety in mining operations.....                                                                                   | 1, 596                |
| 38. Territories and the trust territory.....                                                                                                  | 46, 506               |
| Total.....                                                                                                                                    | 1, 051, 663           |
| <b>DEPARTMENT OF LABOR</b>                                                                                                                    |                       |
| 39. Employment services.....                                                                                                                  | 173, 330              |
| 40. Unemployment compensation.....                                                                                                            | 4, 009, 199           |
| 41. Labor standards.....                                                                                                                      | 18, 400               |
| Total.....                                                                                                                                    | 4, 200, 929           |
| <b>FUNDS APPROPRIATED TO THE PRESIDENT</b>                                                                                                    |                       |
| 42. Accelerated public works.....                                                                                                             | 30, 000               |
| Grand total.....                                                                                                                              | 31, 811, 345          |

**THE POVERTY CZAR**

Perhaps the most alarming of the many ominous facets of this disastrous bill is the virtually unlimited grant of power which it hands to the Director of Economic Opportunity. The proposed Director will be the general in command of the poverty war; as such, the bill (referred to as the Landrum-Powell bill in the House of Representatives) would make him the head of a new bureaucracy called the Office of Economic Opportunity.

The all-encompassing powers which the administration seeks to confer on the Director can be most clearly shown by referring to the language of the bill itself. The authority of the Director is most specifically spelled out in the administration and coordination title (title VI) of the bill.



For example, the Director is exempted from the laws and regulations which govern other executive departments regarding the printing and binding of various kinds of material. The need for such an exemption arises, it has been explained, because otherwise the Government Printing Office and Government Services Administration procedures might slow up the Director's issuance of "comic books" and other propaganda. The GPO and GSA regulations, which this bill bypasses, were written, it should be noted, to prevent the bureaucrats from wasting even more money than they ordinarily would by turning out mountains of unnecessary printed matter.

Whatever the inadequate reasons which might be offered in behalf of this section, it is impossible to justify another exemption from the laws of the United States contained in this title. Section 602(i) allows the Director to "disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form *as he shall deem appropriate*, to public agencies, private organizations, and the general public." [Emphasis added.]

Section 4154 of the United States Code to which this language refers lists the restrictions on the use of the "free" mailing privilege by the executive departments and others. These limitations on the use of the U.S. mail are designed, simply, to prevent anything but material with some reasonable connection with Government business from being disseminated throughout the country at the taxpayers' expense. One portion of this statute states that officers, executive departments, and independent agencies are not prohibited from mailing, "enclosures reasonably related to the subject matter of official correspondence."

Certainly these restrictions, which are similar to those placed upon the congressional franking privilege, are designed to prohibit the distribution of self-serving propaganda; it cannot be considered too onerous for an agency of the Government which is conducting its business in a reasonable and prudent manner. Why then is it deemed necessary to exempt the Director of Economic Opportunity from the rules? The answer is quite simple—the Johnson administration's nakedly political approach to the problems of our poor people sweeps away all obstacles. The printing and mailing of politically tinged materials, which would be a violation of the law if attempted by other agencies, is part and parcel of the opportunistic philosophy underlying the war on poverty.

The poverty czar would also be handed a blank check with which to dispose of Federal funds and property if other provisions in this incredible bill are left intact. He would be exempt from all provisions of the law regarding the "acquisition, handling, or disposal of real or personal property by the United States"; he could, moreover, "deal with, complete, rent, renovate, modernize, or sell for cash or credit *at his discretion* any property acquired by him in connection with loans, participations, and guarantees made by him pursuant to titles III and IV of this act." [Emphasis added.]

It is interesting to note, in this connection, that such phrases as, "in his discretion" and "as he may deem necessary or appropriate," are found throughout this bill. Legislative guidelines and criteria are almost completely absent from S. 2642. Inevitably the result will be, if this legislation is passed, to create a new and more dangerous bureaucratic monster. The implications contained in the use of the term

"czar" do not exaggerate in the least the powers to be given to the Director.

One further aspect of the czar's powers deserves some attention. The administration has made a great deal of noise about the fact that the Director would primarily "coordinate" the programs to combat poverty. This, like so much else in this bill, is not what it appears to be—it is just another "gimmick."

Every authorization listed in the bill, except one which permits the President to shuffle the entire poverty agency about within the executive branch, goes to the Director. His function as a "coordinator" is a deceptive one. Consider two examples:

First, the various powers to lend money and assist organizations and individuals which are contained within title III (special programs to combat poverty in rural areas) are not, as might be expected, delegated to the Agriculture Department and other agencies which have experience in this area. The authority to operate this program is held *exclusively* by the czar or Director.

Second, the employment and investment incentives program (title IV) which is merely an expansion of the current activities of the Small Business Administration is not to be bossed by that agency. Once again administrative logic has been tossed aside in the open attempt at political empire building being engaged in in behalf of the proposed Director, Sargent Shriver and his mentor, the President.

The bill gives the poverty czar the power to *direct*, not to work with, members of the President's Cabinet and various agency heads. The creation of a superbureaucracy to be headed by a superbureaucrat sets a precedent that is both unique and dangerous. The well known columnists, Robert S. Allen and Paul Scott, recently discussed this attempted power grab and pointed out some of its implications. This column, which appeared in newspapers throughout the country, reads as follows:

#### UNWARRANTED POWERS OF FEDERAL "CZAR" TARGET OF ATTACK ON ANTIPOVERTY BILL

(By Robert S. Allen and Paul Scott)

WASHINGTON.—Congress is headed for a major battle over the sweeping powers President Johnson is seeking for his "poverty czar."

Scheduled to begin in the House and Senate after the Republican national convention, the "big debate" on the poverty program could have as far reaching an impact on the coming presidential campaign as the fallout from the new civil rights law.

Aids of Senator Barry Goldwater, who voted against the civil rights bill, say he is ready to oppose the poverty program unless the legislation is drastically changed to curb the powers of the Federal Government and give State and local governments bigger roles.

Senator Goldwater, leading GOP presidential candidate, will have the full backing of Senate and House Republican leaders on this highly crucial and political vote. They are privately saying President Johnson's program could stir up



a "nightmare of trouble" throughout the country rather than stamp out poverty.

The dark heart of this growing GOP opposition centers around the unprecedented authority proposed for the Director of the Office of Economic Opportunity, due to be set up in the White House under the present legislation.

Under the Johnson administration proposal now before the House Rules Committee and the Senate Labor Committee, this office would be run by a "poverty czar" empowered to select the local agencies or private groups to receive funds under the billion dollar poverty program.

This "poverty czar" would also have the tremendous power of setting the criteria on how the money was to be spent, and would be given a free hand to draft rules and regulations governing the operation of a 40,000-member Youth Corps.

#### LIFTING THE LID

A preview of the coming public GOP attack against the President's program was outlined by Representative Peter Frelinghuysen, Republican, of New Jersey, in his little-noticed testimony before the Senate Labor Committee.

A respected leader of the "moderate" Republicans on the House Labor Committee, Frelinghuysen carried his opposition to the Senate after the Democratic majority in the House committee beat down all GOP attempts to curb the powers of the "poverty czar."

While vigorously supporting Federal aid to fight poverty, Frelinghuysen attacked what he termed "the unparalleled powers vested in the Director of the Office of Economic Opportunity—the poverty czar."

He bluntly warned that the creation of this powerful new Federal position "opens the way for direct Federal involvement in the activities of every private organization in every community in the country without the necessity of participation or approval of either State or local government."

Pointing out that "As the bill is now written, there is no role for the local or State governments," Frelinghuysen charged:

"If this bill is enacted, the 'poverty czar' would be empowered to pick and choose between private and public agencies in the granting of billions of dollars in Federal funds.

"This bill vests in a Federal czar both the power of approval of all poverty programs and the more basic power to determine all the criteria for approval. The only authority accorded State governments is the right of a Governor to comment on projects carried out in his State. This is so meaningless as to be insulting. Local public officials, however, are not even given this empty courtesy. The relationship is clearly that of master and servant."

## THE BACKLASH

When Senator McNamara, Democrat, of Michigan, challenged the New Jersey legislator, contending that the bill did not bar the "poverty czar" from using State agencies, Frelinghuysen lashed back:

"This is what I resent. This gives him unwarranted powers. If we think that we should utilize State agencies in one way or another to make a distribution of funds to alleviate the problems of the poor, it seems to me we have an obligation to spell that out."

"What if a State would not cooperate?" asked McNamara.

"I think it unwise to give the Federal Government the power to give the NAACP or any local citizens' group which might not even be representative of the community, wherever it is, to use Federal money to do something that community or State does not want," replied Frelinghuysen.

Stressing that "this is a very sensitive area of Federal-State relations," Frelinghuysen concluded:

"This bill charts a new and unjustified course for governmental responsibility in general and for the Federal role in particular. It proposes a Federal bureaucracy whose influence would permeate every nook and cranny of civic responsibility—public and private.

"I cannot conceive of such intervention being in the best interest of liberal democratic institutions."

In the light of the sweeping and unfettered powers which this bill would give to the Director, it seems especially important to consider the individual who will undoubtedly hold the position if it is created. R. Sargent Shriver as everyone knows, will be the poverty czar. As head of the President's Task Force on the War Against Poverty he has been the administration's foremost advocate and "expert" in behalf of the Landrum-Powell bill in the House and the nearly identical bill, S. 2642, here in the Senate.

We believe that it is both pertinent and instructive, therefore, to review some of the comments made by the poverty czar-in-waiting, Mr. Shriver, before the convention of the National Association for the Advancement of Colored People (NAACP) held in Washington recently.

Following a more or less standard pitch for the programs contained in this bill, Mr. Shriver went on to state that—

\* \* \* we cannot help today focusing our thoughts on another kind of poverty. For what is happening in Mississippi, what is happening to those three young men, is poverty—the poverty of American law, power, and spirit. The picture of that burned car in the Mississippi swamp shows the world how poor we are. \* \* \*

We have heard a lot of talk about backward people on other continents. But when we think of that burned car, and when we think back on Medgar Evers, Emmett Till, and other victims of our own violence here at home, we must ask ourselves: *Who is really backward?* [Emphasis added.]



This blanket indictment of our people, our institutions, and our way of life was, in our opinion, well answered in a letter to the editor which appeared in the Washington Daily News. The letter is as follows:

### WE'RE NOT SO IMPOVERISHED

Sargent Shriver, referring to the mysterious burned car belonging to the three students missing in Mississippi and the murder of Medgar Evers, said these events illustrate "the poverty of American law and power and spirit." As an American citizen who believes in equal rights for everyone, I find this statement—coming from a public official—disgusting.

In almost every other country in the world, death and crime are so common that news of such violence does not even make the papers unless it involves a celebrity. In America, these tragic crimes are the exceptions, not the rule.

When Mr. Shriver speaks of the "poverty of American spirit," he forgets that it was America that was Johnny-on-the-spot with doctors, nurses, medicine, rescue squads, and rehabilitation crews after the terrible earthquake in Chile. He forgets our aid to Yugoslavia after their earthquake. He does not mention that America has given \$5 million to Costa Rica to help that country fight the troublesome and dangerous effects of a volcano. He does not mention that seven American drug companies recently (entirely from their own funds) embarked on a mission to inoculate 1 million little children in Ecuador.

If this is American bigotry and "poverty of spirit," let's have more of it.

G. W. STUDENT.

### STATE AND LOCAL GOVERNMENTS BYPASSED

The vast powers which the Director of Economic Opportunity is to be granted by this legislation are not limited to operations within the wholly Federal sphere. Under the community action section and other programs the Director will have the authority to bypass State Governors and local officials of all kinds in carrying out his various plans.

The community action program, for example, permits the poverty czar and his agents to move directly into every program, public or private, which involves health, welfare, education, housing, and other problems in every community in the country. The criterion which the Director must adhere to in aiding, expanding, or establishing such local activities is that "programs shall be focused upon the needs of low-income individuals and families."

Once the Director has decided to move into a rural or urban locality, he may provide as much of the cost of any particular program as he sees fit. It is possible, in addition, for him to send in the Volunteers in Service to America (Vista), authorized by title VI, to assist or run the local project.

The important point which we wish to make is not, however, that the Director is not restricted or guided by the language of this bill but rather that he may ignore local authority at will. He may, for example, provide assistance directly to a local charity despite unani-

mous objections of the State Governor, the city mayor and council, and the community chest or welfare council.

We should point out, to be fair, that this bill does make a ridiculous gesture toward the preservation of the Federal system upon which this Nation's government is based. A section of the community action title calls for the "referral of applications for assistance under this part to the Governor of each State affected, or his designee, for such comments as he may deem appropriate." The Director, of course, is left with the complete freedom to do as he pleases without regard to any gubernatorial comments that might be forthcoming.

Local mayors, school boards, and officials of charitable and civic organizations do not even have the meaningless right to comment. In any event, the language of this bill makes it apparent that all persons below the rank of poverty czar will have no power whatsoever to prevent or alter the activities envisioned for their communities under this and other titles.

Senator Javits offered an amendment during the committee's consideration of this bill which would have given the States and local communities at least a modicum of self-respect in connection with the operations of the Office of Economic Opportunity. This amendment would merely have required the Director to encourage the participation of State agencies in the various programs in the bill; it did not give any State or local official any power or responsibility of his own. Despite this, the majority crushed this Republican proposal by a straight party-line vote. The administration has determined, apparently, that Federal intrusion into State and local matters must be complete and untrammelled where the political and sociological imperatives of the war on poverty are involved.

#### A FEW OF THE "SLEEPERS" IN THE BILL

The Landrum-Powell poverty package is a hastily conceived and poorly planned collection of programs having little or no logical connection with each other. It should not be surprising, therefore, that in addition to its most blatant and highly publicized defects, it contains a number of hidden but no less significant elements.

A statement of Mr. Donald B. Straus, the chairman of an organization called Planned Parenthood World Population, which was submitted to this committee, illustrates one of these hidden problems. Mr. Straus' organization feels very strongly that any antipoverty program worthy of the name should promote and assist programs of birth control. He argues—

\* \* \* that neither a "basic knowledge of the facts" nor of the "real causes of poverty" can ignore the grave problem of the gap between children wanted and children born. This gap can only be closed when public health and welfare agencies make available to low-income Americans the same effective voluntary family planning techniques that are now available to—and extensively used by—the rest of the Nation.

No less an authority than Mr. Sargent Shriver himself admitted, in testimony to the House Committee on Education and Labor, that if a birth control project was included within a community action program



that was otherwise qualified, he would approve it. Without arguing the merits or demerits of birth control programs, we submit that the fact that such projects could be aided or promoted by the Federal Government regardless of local mores or feelings pinpoints the basic danger inherent in this bill.

Another sensitive problem which has arisen because of the all-encompassing nature of this legislation is the legal and political controversy over Federal aid to church-related activities. The bill which the committee originally began work on permitted the Director to provide assistance to church-related facilities under the work-study and work-training programs of title I so long as they were not to be used solely for religious activities. The majority of the committee promptly voted to amend these provisions by striking out the word "solely." The net effect of this amendment would have been to prevent a local church-related organization or parochial school from receiving aid to assist the poor.

In one of the few attempts to improve this bill that was permitted to succeed by the majority, Senator Goldwater moved to correct this inequitable situation. His amendment limited the prohibition against aid to church-related institutions or activities to "so much of \* \* \* any facility used or to be used for sectarian instruction or as a place for religious worship."

The Goldwater amendment would now permit the nonreligious portions of church-owned or supported buildings and other facilities to be used as a part of the antipoverty program. Direct aid to churches is, in accordance with the spirit and the letter of the Constitution, still prohibited.

#### CONCLUSION

It has been suggested, by some of the more demagogic supporters of the committee bill, that those who oppose it are in favor of perpetuating poverty. This, of course, is arrant nonsense; it does, however, illustrate the political and emotional auro surrounding the poverty war.

The Johnson administration's ruthless campaign in behalf of this legislation will not work. We will not be silenced by these intolerant appeals and easy answers to complex and difficult problems. We oppose this poorly constructed and misbegotten legislation.

We fully agree with the criticism of the administration program set forth in the platform adopted by the Republican Party at its recent presidential convention in San Francisco:

The administration has proposed a so-called war on poverty which characteristically overlaps, and often contradicts, the 42 existing Federal poverty programs. It would dangerously centralize Federal controls and bypass effective State, local, and private programs.

The views we have outlined here do not begin to deal with all of the varied aspects of the bill. We have attempted, however, to uncover and discuss a few of the poverty war's most glaring defects, defects which render the entire program unacceptable. Our counterparts on the House Education and Labor Committee have written a comprehensive set of minority views on the companion to S. 2642, the Landrum-Powell bill; we urge that this excellent document be read in conjunction with the views expressed here.

This bill does not address itself to the primary cause of poverty. It does nothing to provide our poorer citizens with the skills necessary to gain regular employment in this modern age. Instead, it resurrects the tired slogans and applies the ineffectual poultices of a bygone era.

We urge the Congress to address itself to the actual world of the 1960's. We suggest that it begin this task by rejecting the program embodied in the committee bill and all similarly worthless and misleading approaches to the problems of poverty.

BARRY GOLDWATER.  
JOHN G. TOWER.





## INDIVIDUAL VIEWS OF MR. JAVITS

There is a genuine need for a war on poverty but it calls for a defined and selective approach with practical objectives rather than an inadequate omnibus attack. I believe that the war on poverty can best be waged by the Federal Government jointly with the States and local governments, and that provision must be made in the present legislation to encourage and facilitate the full cooperation of the States, and the integration wherever possible of this program with existing State and community public and private agency activities.

This was my objective in introducing the amendment adopted by the committee which permits the Director to provide Federal financial and technical assistance to integrate and make use of existing State youth camp programs with the Federal program.

This is also the goal of my proposed amendment to the community action, work-study, work-training and migrant labor parts of the bill calling upon the Director to use his best efforts to develop State plans and to use State agencies and facilities wherever practicable in carrying out the provisions of these parts of the bill and to offer technical assistance to the States for that purpose. I have urged that procedures established by the Director for these parts shall include provision for the referral of applications for assistance to the Governor of the State for such recommendations as he may deem appropriate. The text of my amendment is as follows:

On page 108, between lines 21 and 22, insert a new section as follows:

SEC. 614. (a) In carrying out the provisions of parts B and C of title I, part A of title II, and part B of title III, the Director shall establish procedures which shall facilitate effective participation of the States in programs assisted under such parts. In pursuance thereof he shall use his best efforts to develop State plans to carry out the provisions of such parts and shall utilize State agencies and facilities in the administration of such parts whenever and wherever practicable, either at the initiation of programs under such parts or in the course thereof. Procedures established by the Director shall include provision for the referral of applications for assistance under such parts to the Governor of each State affected, or his designee, for such comments as he may deem appropriate in cases not otherwise provided for pursuant to the authority contained in this subsection (a).

(b) The Director is authorized to make grants to or to contract with States and appropriate State agencies for the payment of the expenses of such agencies in performing their functions under subsection (a) hereof, and for the purpose of providing technical assistance to State and local government agencies in developing, conducting, and administering programs under the parts of this Act listed in subsection (a).



Redesignate sections 614 and 615 as sections 615 and 616, respectively.

In this way, I believe that there can be greater participation by the States in coordinating and carrying out the war on poverty and on unemployment than is presently provided for and without in any way holding up action by the Director in the event that a State chooses not to cooperate, or making a condition precedent to the antipoverty programs moving into the State. Moreover, it will insure the flexibility and continuity of the program by the State even if the Federal Government at some future time decides not to continue this program. A large degree of flexibility must be maintained because transformations in the pattern of the domestic economy may call for totally new expenditures or a totally new direction for existing programs.

There are no provisions dealing with the special problems of poverty among the aging and not enough consideration has been given in this bill to the effect on unemployment of the changeover from present States of technology to automation, which has been estimated to result in the loss of about 2 million jobs a year. We face a situation in which there is a growing shortage of skilled manpower for industry on the one hand, while on the other there is a large group of unemployed adults who need basic vocational and educational training for basic skills. The school dropout and the undertrained and undereducated unemployed adult comprise two critical elements in the war on poverty and represent wasted human resources which our economy cannot afford. Our unemployment rate at present is about 5½ percent, but it has been estimated that automation will make it possible within the next 10 or 15 years for 50 percent of the present 1964 labor force to do the job that 100 percent of this labor force is doing. This is a challenge we face not only in terms of employment but also in education and training for the future labor force.

The war on poverty is long overdue but this bill must be regarded as a very limited effort both in terms of scope and money unless it opens the way for broad coordination with existing Federal programs and enlists not only the active cooperation of States, local government, and private community agencies who have been working in this field for many decades but also the best minds in the fields of social welfare, education, labor, law, and business.

JACOB K. JAVITS.

## INDIVIDUAL VIEWS OF MR. PROUTY

It is not enough for us to proclaim that as a people and as a nation we are *against* poverty. Such a manifesto is negative in tone and tells nothing of what we are *for*.

I shall not rest satisfied should that day come when the income of every American family exceeds *only* \$3,000. The aim of a mighty and majestic country is not to place its citizens on some miserable plateau between poverty and affluence. Rather it is to elevate all of our people to an economic crest where each may share in the abundance that is part and parcel of America.

It goes without saying that to help the poor, we must determine first "Who are the poor?" Then we must determine how we can best assist them to attain an economic level far beyond the abject conditions in which they find themselves.

If there are to be Government programs, let them be ones which will prevent a family's fall into poverty or give people a hand to rise above it and not simply suspend them above the well of despair until after a political election only to let them return to their former condition.

What indeed are the causes of continued poverty and the characteristics of the poor? They are:

**Limited education.**—About 60 percent of the country's poor families with some 21 million people have as the head of household a person who did not go beyond the eighth grade. These breadwinners with low education are trapped in poverty because unskilled labor is no longer in demand.

**Old age.**—Using the \$3,000 annual income test, 47 percent of the families headed by a person over 65 are impoverished. Even if the poverty yardstick is lowered to \$2,000, there would still be 4,500,000 aged people who could be classed as poor. If single individuals with incomes under \$1,500 are taken into account, the number of aged poor persons would be approximately 7 million.

**Female headship.**—Illegitimate children and children whose fathers have died or deserted make up a substantial percentage of the poor. Forty-eight percent of American families headed by women have incomes below \$3,000 a year. These families make up about one-fourth of the Nation's poverty stricken.

**Handicapped breadwinners.**—About 2.5 million disabled persons in 1963 were in need of vocational rehabilitation or a job opportunity. A recent national survey by the University of Michigan indicated that educational attainment and incomes of disabled family heads were markedly lower than for all workers with family responsibilities who were surveyed.

**Race and discrimination.**—Approximately 44 percent of America's nonwhite families with about 8 million people are in the poverty category. While the vast majority of these people are Negroes, the figure also takes into account a majority of the country's 552,000



Indians, particularly the 40 percent who live on reservations. For the latter, the unemployment rate runs between 40 and 50 percent.

**Residents in rural areas.**—In 1964 there are nearly half a million fewer farms than there were in 1960 and the farm population during these years has been decreased by at least 2½ million people. There are still 1½ million families, or about 6 million people, who live on marginal farms and have cash incomes under \$3,000 a year. In addition there are 9 million nonfarm people who live in rural areas and receive incomes below the poverty line. This figure encompasses the Nation's migratory farmworkers and their families, or about 2 million people.

**Young people.**—Thirty-one percent of families headed by a person under 24 years of age, constituting about 2 million people, are said to be poor. Furthermore, on an annual average well over half a million young people between the ages of 16 and 21 are both out of school and out of work.

**Unemployment.**—About one-third of all U.S. families with unemployed heads are listed as poor by the Council of Economic Advisers. Many of these families have a breadwinner whose unemployment compensation has run out.

These, then, are the poor. It would serve us well to ask ourselves what, if anything, the reported bill does to pave the way for a permanent increase in their incomes and to elevate them to a status of prosperity.

We have seen that limited education is one of the chief causes of poverty. What does the reported bill do to improve the quality of education in poverty impacted areas and to help identify those who are potential school dropouts? The answer is virtually nothing.

We have noted that the aged constitute more than 7½ million of the Nation's poor. Indeed, one-fourth of the male retired workers get \$60 a month or less in social security benefits and the situation is twice as bad for the retired female worker. It is common knowledge that 4 out of 10 welfare recipients are people on the social security roles.

What does the bill do to aid these aged folks who have made this Nation what it is today? When asked this question Sargent Shriver responded that no provision in the bill relates specifically to the aged, but that title II might provide some help. What help he did not say.

We have seen also that about one-fourth of the Nation's poor live in homes headed by a female breadwinner. Mr. Shriver indicated title II of the bill would "help her, not financially, perhaps, but help her in fulfilling her responsibilities." He did not contend that title II would in any way increase the income of the female family head.

In short, the provisions of the bill and the attitudes of the committee and the administration completely overlook, or largely ignore, the fundamental question—who are the poor?

For my own part, I believe that social and economic problems require social and economic—not political—solutions.

Despite his party leanings, it is incumbent upon each Senator to consider alternative proposals which provide an imaginative approach to the domestic problems which the poor pose for us.

Let us look beyond some of the tired old offerings which are in the reported bill. These have been dutifully advanced year in and year out, and, year in and year out they have been rejected or ignored

by the Congress. I say "dutifully advanced" simply because they were thought to be good enough in the thirties, and, so the argument runs, they should be even better for the country's ills today.

Such reasoning is in total conflict with three decades of economic change and is absolutely oblivious to the technological revolution which has taken place.

Earlier this year, Senator Jordan of Idaho and I submitted to the Committee on Labor and Public Welfare a number of proposals for a comprehensive employment and manpower policy in the United States. These views are contained in a document prepared by the Subcommittee on Employment and Manpower and because they deal in so many ways with the problems of the poor and the unemployed, I am incorporating them in this report for the consideration of the Senate.





## PEOPLE AND JOBS

### A PROGRAM FOR THE PREVENTION OF UNEMPLOYMENT AND THE ALLEVIATION OF ITS EFFECTS

A report prepared by Winston L. Prouty, U.S. Senator, and Len B. Jordan, U.S. Senator, of the Subcommittee on Employment and Manpower, Committee on Labor and Public Welfare, U.S. Senate

***"There is no economic failure so terrible in its import as that of a country possessing a surplus of every necessity of life in which members willing and anxious to work are deprived of these necessities."***

## I. SUMMARY OF RECOMMENDATIONS

### Adjustment to Technological Change: A Key to More Jobs

#### A. EDUCATION AND TRAINING

##### *Recommendations*

1. Many sons and daughters of America's needy require additional help if they are to prepare themselves with the higher education required for professional and semiprofessional positions.

We therefore recommend that either of two plans be adopted.

The first is known as the Ribicoff tax credit plan, which we cosponsored when it came before the Senate as an amendment to the Revenue Act of 1964. This plan would provide a credit against taxes for the costs of education attributable to tuition, books, and fees. The greatest allowance would go for the first \$200 of expense, with a total of \$1,500 of college expenses being eligible for preferred tax treatment. This plan would be keyed to the education of deserving young men and women in the lower income brackets and the benefits would be available to anyone paying the cost of the schooling.

The second possibility would be the so-called Prouty plan, which was offered as an amendment to the Revenue Act of 1964. Under this proposal working students would be allowed deductions for education expenses up to \$1,200 for undergraduates and \$1,500 for graduate students.

##### *Recommendation*

2. We propose that we supplement the Manpower and Development Training Act by encouraging private enterprise to help train new workers.

Accordingly, we recommend that employers be given a tax credit equivalent to the magnitude of the credit extended for investment in personal property under the Revenue Act of 1962 for investments in our human resources.

We propose, also, that an employer be allowed a credit against tax of 7 percent for sums expended by him in training or retraining any of his employees about to be displaced by automation or mechanization. Secondly, we propose to allow an employer a 6-percent credit against tax for sums expended for the training of new employees for



job skills needed within the industry. These credits shall be allowable only if immediately subsequent to the conclusion of the training period the trainee becomes gainfully employed by the training employer.

3. As indicated previously, Congress has already given some consideration to the question of allowing individuals tax relief to offset the costs of obtaining a higher education. We favor this approach, but we feel that its scope could and should be broadened to benefit those individuals who take education or training in vocational subjects at the post-high-school level.

### *Recommendation*

4. We believe that the Manpower Development and Training Act can play a more important role in facilitating adjustment to the technological revolution.

Today, all too often the unemployed worker or the youth who enters the labor force finds that he cannot take full advantage of this statute until training classes are set up which have some applicability to his particular problem and his special aptitude.

Either the Manpower Development and Training Act is faulty in language or else it is defective in administration. An unemployed worker may have a potential or aptitude unlike other jobless people in his area. His future should not depend on the ability of Federal and State officials to find other individuals who need or want the same type of training.

We recommend that Congress and the administration work together on this problem so that under the Manpower Development and Training Act a single unemployed worker may be assisted while attending a private vocational education school or technical institute.

### *Recommendation*

5. About 19,000 of the 110,000 people who were rehabilitated last year had been on the public assistance rolls or were living in institutions at public expense. These persons, who are now wholly or partially self-supporting, were rehabilitated at an expense of \$19 million, a sum approximately equal to what they were receiving in public assistance.

These figures spotlight the fact that vocational rehabilitation is extremely sound from both a humanitarian and an economic standpoint. We commend all those who played a part in the administration and operation of our State-Federal program and we urge that this program be expanded so that more individuals can be restored to productive lives.

### *Recommendation*

6. We supported the Vocational Education Act of 1963 with enthusiasm because in the counseling field it took a big step toward correcting the deficiencies which exist at the present time. The act encourages and assists our institutions in providing guidance and counseling for children in the seventh and eighth grades. This is a fine beginning, but more must be done.

Of the 26 million youths who will enter the labor force in the 1960's 2½ million will not get past the eighth grade. These figures bring

sharply to focus the need for proper counseling before youngsters have already decided that they are going to leave school.

We therefore recommend that existing statutes be amended to aid educational personnel to identify and counsel the potential school dropout at the fifth- and sixth-grade levels.

### *Recommendation*

7. We would urge the States to consider the desirability of permitting individuals who are willing to take training or retraining to receive unemployment benefits up to normal amounts.

## **B. LABOR MOBILITY**

### *Recommendation*

1. To help the worker who finds it difficult to move to new areas where there is greater opportunity we recommend the following:

(a) That we consider giving a subsistence or transportation allowance to unemployment insurance claimants who actively seek work in areas far from home.

(b) That the tax deductibility of the cost of moving to seek a new job be broadened to include items and expenses not now permitted.

(c) That a national conference of business and insurance organizations be convened to consider the development of programs for the transferability of pensions for individual workers who change jobs.

(d) That the Internal Revenue Code be amended to alter the definition of "home." This should be changed from the place of a worker's chief employment to the place where he, in fact, has his home and keeps his family.

## **C. THE U.S. EMPLOYMENT SERVICE: MATCHING MEN WITH JOBS**

### *Recommendation*

1. We join the minority members of the Joint Economic Committee in recommending the establishment of a national clearinghouse for the identification and classification of emerging skill requirements, of existing skill needs, and of obsolescent skills.

The clearinghouse should also keep an up-to-date list of job vacancies for the use of the U.S. Employment Service, employers, private employment services and others so that jobs and men can be brought together.

### *Recommendation*

2. The monthly reports on the labor force are used by many public and private sources as one measure of the Nation's economy. Yet the concepts and techniques which are used to record unemployment have been called in to question by responsible representatives of labor, management, and the public.

We urge that an impartial committee be appointed to develop better ways and means of obtaining more precise information on the extent and character of employment, unemployment and underemployment.



## **Alleviating the Impact of Joblessness: The Road Back to Employment**

### **A. INSTALLMENT DEBT ASSISTANCE FOR UNEMPLOYED WORKERS**

#### ***Recommendations***

1. When he is jobless, the worker and his family frequently cannot make payments on goods they have purchased on the installment plan.

We therefore recommend as a proper subject for labor-management negotiations the establishment of unemployed workers' revolving funds which would give the jobless temporary assistance in paying installment debts.

2. We further suggest that all governments, Federal, State, and local, investigate this problem with a view to taking such supplementary action as may be necessary.

3. The establishment of installment debt funds with carefully drawn safeguards would prevent the destruction of incentive and would protect the families of the unemployed.

### **B. ESTABLISHMENT OF A SYSTEM OF MORTGAGE UNEMPLOYMENT INSURANCE FOR THE PURPOSE OF PREVENTING HOME FORECLOSURES RESULTING FROM EXTENDED UNEMPLOYMENT**

#### ***Recommendation***

The minority on the Joint Economic Committee have pointed out that real estate foreclosures have jumped drastically in recent years and that the same has been true of mortgage loan delinquencies.

Curtailment of income was the main reason for foreclosures given by 35 percent of all FHA borrowers and by 40 percent of the VA borrowers.

In view of the foregoing, we strongly suggest that there be established a system of mortgage unemployment insurance for the purpose of preventing foreclosures resulting from lengthy unemployment. Insurance of this kind could sharply reduce foreclosures.

### **C. ALLOWING FOR FEDERAL INCOME TAX PURPOSES A DEDUCTION FOR LOSS OF INCOME DUE TO UNEMPLOYMENT**

#### ***Recommendations***

1. We would suggest a proposal that is designed to provide relief for the individual who is unfortunate enough to become unemployed.

Under our plan the individual would be allowed a deduction for any loss of income he may experience because of unemployment, provided he registers with the U.S. Employment Service and actively seeks work. If the taxpayer, in the year of unemployment, does not have enough taxable income against which he can offset the full loss, he could carry over any unused part of the deduction to another income year.

2. In the alternative, we recommend that some thought be given by the congressional committees responsible for income tax legislation to "income averaging" for individuals experiencing a rapid and sharp downturn in annual income. In this session of Congress we

enacted into law a provision which clarified and extended the "income averaging" provisions of the Internal Revenue Code, sections 1301-1305, for individuals whose income undergoes a sudden upward surge. While the merits of this provision cannot be denied, isn't there even greater equity for a similar type of tax treatment for the person suddenly unemployed, suddenly without any income whatsoever?

#### D. UNEMPLOYMENT COMPENSATION FOR HIGH LEVEL UNEMPLOYMENT

##### *Recommendations*

1. We recommend enactment of a program designed to supplement the regular unemployment insurance program at any time in the future when unemployment nationally increases beyond the level for which the regular program would be responsible.

This program would include the following features:

(a) Grants from the Federal Government to the States to help pay for supplementary benefits during times of national high level unemployment.

(b) Extra benefits would be paid during the recession for about 13 weeks beyond the normal compensation period.

(c) The standby unemployment compensation program would go into effect when certain economic indicators show that trouble is ahead.

#### **The War on Poverty: The Lost Battalions**

##### A. PUBLIC WELFARE AND SOCIAL SECURITY

##### *Recommendation*

1. Almost 4 out of every 10 welfare recipients receive social security benefits.

Certainly the major cause of this situation is the size of the benefit itself. It can be as low as \$40 a month and averages just a little over \$75 a month.

Moreover, the social security "retirement test" or income limitation hinders older people from working to bring their income up to a level of decency.

The administration declares "total war" on poverty but does not suggest amendment of existing programs which are perpetuating the disease.

We recommend that the social security income limitation be liberalized so that it will not prevent older persons from pulling themselves up to a dignified and meaningful existence.

##### B. MAKING SOCIAL SECURITY BENEFITS AVAILABLE TO ALL PERSONS 70 YEARS OF AGE OR OLDER WHO HAVE NO PENSION FROM ANY PUBLIC SOURCE

##### *Recommendation*

1. The original social security law did not cover many people who should have been covered, and although its scope has been expanded over the years, a significant number of persons do not fall under the umbrella of its protection.



We speak now of those individuals who worked throughout their lives and who are now too old to return to work to earn coverage under the provisions of an expanded law—those persons who are 70 years of age or older.

We recommend that these individuals who receive no pension from any public source be made eligible for social security benefits.

#### C. WIDOW'S SOCIAL SECURITY BENEFIT ELECTION

##### *Recommendation*

1. We believe that the social security law should be amended to provide that any woman who draws widow's benefits under the social security system and works at the same time may elect to be exempted from coverage so that she need not make contributions for which she would be likely never to receive benefits. In addition, she should receive a refund of any contributions she may have made to the system prior to drawing benefits.

#### D. SURPLUS FOODS FOR THE NEEDY

##### *Recommendation*

1. The food stamp program which was hailed as a bold new step has been a limping one.

Despite the privation in many poverty-stricken areas the administration failed to use more than a fraction of the money allocated for this program. Now in an election year it expresses its concern for the poor.

Moreover, the first 26 pilot plans were all placed in the districts of Democrat Members of Congress.

The minority does not question the need for the expansion of our surplus food programs, but in fact recommends that these programs be made effective for the first time and that human, not political, need be the criterion for distribution.

#### E. SCHOOL LUNCH AND SCHOOL MILK PROGRAMS

##### *Recommendation*

1. No better investment can be made than to increase funds so that wholesome lunches and milk will be available to all children of school age. Special assistance in providing these programs should be given to all economically deprived areas. Amendments to the national school lunch program in 1962 authorized the appropriation of up to \$10 million to provide special assistance to schools drawing attendance from areas in which poor economic conditions exist.

Since 1962 the budget has included either a small appropriation or none at all for this purpose when, instead, the appropriation could be greatly increased to meet the needs of the economically depressed areas. Currently, the budget request calls for only \$2 million for special assistance to needy schools.

We therefore recommend that the school lunch and school milk program be expanded to reach all the underprivileged children of our land.

**F. MEDICAL PROFESSION'S LOAN PROGRAM*****Recommendation***

1. We must offer some special incentive to encourage doctors to practice in needy areas. We believe that one effective approach would be to add a loan forgiveness clause such as that proposed in S. 2220 to the Health Professions Educational Assistance Act. This provision, which was in the original bill, would provide up to 50 percent forgiveness on loans made under this act to doctors who practiced in areas designated by the State to have a shortage of physicians. Ten percent would be forgiven for each year of practice. This could mean forgiveness of as much as \$4,000 plus interest, which would be strong encouragement to a young doctor to practice in a designated area. We owe it to the citizens of this country, both rich and poor, who are financing this program, to do as much as we can to alleviate the doctor shortage where it is most severe—in the rural and impoverished areas.

**G. BETTER SCHOOLS AND TEACHERS FOR "POVERTY IMPACTED" AREAS*****Recommendations***

1. All too often we find that in poverty areas where the highest quality of education is needed, there is found only the lowest. Therefore, we recommend a general upgrading of the schools in these areas.

2. In addition, we recommend that the forgiveness features of the National Defense Education Act's loan program be increased for those who agree to teach in poverty impacted areas. Currently, for those preparing to be teachers, up to 50 percent of the National Defense Education Act's loan can be "forgiven" when the student actually teaches for a specified number of years. If this percentage could be upped to 75 percent for teachers in poor communities, students might give work in these areas higher priority.

**H. OVERTAXATION OF THE POOR: AN ADMINISTRATION POLICY*****Recommendation***

1. While we voted in favor of the tax cut bill, we deeply regret the failure of the Senate to approve any of the numerous Republican amendments brought before it providing for repeal or reduction of certain excise taxes. Rejection of these amendments because of administration opposition has withheld tax relief where it is really needed—at the lower income levels.

Excise taxes are regressive: they are levied contrary to our generally accepted principle of taxation which is based upon ability to pay. They exert the heaviest burden on those with lower incomes who can least afford to pay them. While lower income tax rates provided in the tax bill will give some measure of relief to individuals in middle or higher income tax brackets, no relief is given to those individuals who do not receive enough income to pay any Federal income tax.



We therefore recommend that many of our excise taxes be modified or repealed, particularly those which are imposed on necessities.

### **Special Group Problems**

#### ***Recommendations***

In addition to such statutes as have been or may be enacted at the Federal and State levels to protect minority groups against discrimination, we urge the following:

1. That labor and management include in their collective bargaining agreements positive contractual obligations barring discrimination of any kind.
2. That organized labor and management exert maximum efforts through education programs to show the need for equality of opportunity.

## II. INTRODUCTION

The majority report recognizes what Republicans in Congress have been saying for a number of years—that there is a manpower revolution underway in this country that is profoundly altering the structure and composition of the labor force. This conclusion has vast implications for economic policy and assumes particular importance in the face of the Democratic administration's stubborn refusal to acknowledge and face up to the extent and meaning of this revolution.

In the past, Republican members of the Special Senate Committee on Unemployment Problems and of the Joint Economic Committee have warned that the rapid rate of technological change, shifts in consumer demand from goods to services, as well as other factors were creating important changes in the geographic and occupational demand for labor. Most importantly, these structural changes have led to a shortage of highly trained and skilled manpower and, at the same time, have eliminated jobs at the lower end of the skill and educational ladder. At the root of the Nation's persistent high level of unemployment is the fact that many of the jobless lack the skills that are in demand or do not live where the new jobs are opening up.

The administration believes differently. In its last three annual Economic Reports, it has denied vigorously that frictional and structural unemployment has contributed more to overall unemployment in recent years than in earlier periods. Even as late as last October 28, Walter W. Heller, Chairman of the Council of Economic Advisers, told the subcommittee that "the available evidence does not show that the proportion of our total unemployment problem that we label 'structural' has increased significantly, nor that its character has materially changed." In spite of mounting evidence and professional opinion to the contrary, the Council of Economic Advisers asserts that the "central prerequisite" or the "primary line of attack" on unemployment must be measures to increase overall demand in the economy. It has given only incidental attention to measures to attack structural unemployment.

We agree with the majority that the Nation has paid dearly for this failure to recognize and cope with the manpower revolution. To the extent the majority report prods the administration into recognizing the primacy of the problem and the critical needs to take effective steps to meet it, it will contribute greatly to solving the new problems arising in our rapidly changing and dynamic economy.

A clear implication of the manpower revolution is that the incidence of frictional and structural unemployment will be higher—and probably considerably higher—than in earlier postwar years unless bold action is taken to reduce it. The need is for a more active labor market policy which will help to more efficiently match the unemployed with the millions of actual and potential jobs that are going begging in our country. Of overriding importance are measures to facilitate adjustment to the manpower revolution through training



and retraining and improving labor mobility. Also required are more effective policies to alleviate the harsh burdens of adjustment suffered by countless numbers of our citizens who are innocent victims of change but who, with imaginative and well-conceived assistance, can become its beneficiaries.

Many of the recommendations in the majority report would help to achieve these objectives. We are particularly gratified that a large number of the subcommittee's recommendations dealing with frictional and structural unemployment have already been anticipated and recommended by the Republicans in the minority views in the Joint Economic Committee's annual reports in 1962, 1963, and 1964, as well as in the minority report of the Special Senate Committee on Unemployment Problems in 1960. Other recommendations of the subcommittee are new, and many of them are worthy of further consideration by the appropriate committees of Congress.

We wish to sound a note of caution, however, lest an active labor market policy become a means of coercion and control over the freedom of choice of America's working men and women and its employers. We reject out of hand any policy which would have this effect. It is for this reason that we view with concern the subcommittee's statement that a Federal manpower program must be able to "channel available manpower resources into the public sector when the national interest so demands."

Our concern is heightened by the subcommittee's desire to move toward what might be called "guided capitalism" under the direction of Federal planners. There should be no mistaking the fact that the subcommittee's recommendation for an "employment policy" that would involve setting annual and long-term economic goals and giving the Executive the power to meet these goals is revolutionary in scope and meaning. We take the strongest possible exception to the subcommittee's recommendations which would impose upon the Federal Government the duty to establish "standards of minimum economic performance." To carry out these recommendations Congress would undoubtedly have to delegate to the executive branch fiscal and monetary tools to keep the economy operating at prescribed levels.

The granting of such sweeping and unprecedented powers over the economy to the Federal Government would carry with it the assumption that the process of economic adjustment based upon market mechanisms has suffered a critical breakdown. There is no evidence to support such an assumption. On the contrary, the operation of the economy in recent years has lent support to those who believe that economic fluctuations may be leveling out as the economy adds to and improves upon its built-in economic stabilizers.

Implicit in the majority's proposals is the assumption that if the establishment of overall national economic goals is desirable, then the establishment of growth targets for specific sectors of the economy as well as for specific industries would be even more desirable. This is the road down which the majority would lead us. It is not too much to say that the majority's recommendations eventually would replace our system of decentralized decisionmaking by millions of individuals and businesses with a system of economic planning and control by the Central Government. This is the drift of affairs in other Western countries. The United States surely will be pushed

in the same direction if the economic planners among us have their way.

Some of the pitfalls of even the relatively modest planning recommendations of the subcommittee should be obvious. For example, the majority recommends that the Federal Government increase spending and develop controls in order to guarantee that unemployment will not rise above 3 percent. It advocates, in effect, a completely controlled labor market despite the price rises which may be incident to it and about which the majority says nothing. One cannot ignore the fact that under some conditions a 3-percent unemployment rate may be inconsistent with relative stability of the price level.

In spite of its underestimation of the extent of structural unemployment, the Council of Economic Advisers itself has recognized in its 1963 Economic Report that bottlenecks in skilled labor, middle-level manpower, and professional personnel tend to become "acute" as unemployment approaches 4 percent. Not only does this generate wage-price pressures, according to the Council, but it also retards economic growth upon which job creation depends.

The majority recommends that aggregate demand be pumped up vigorously through "aggressive" expenditure policy and by other means. But this recommendation flies in the face of the subcommittee's conclusions that severe shortages of skilled manpower already exist in our economy. It is also in conflict with the best judgments of Walter Heller, Chairman of the Council of Economic Advisers. Heller has this to say:

Under present circumstances no massive substitution of public for private spending could generate the incentives for private creativity and initiative which are basic to a renewal of our economic vitality.

We believe the majority recommendations could lead to a serious inflation in this country that would offset the benefits of most of our policies to aid the unemployed and those of our citizens who live in poverty.

Little comfort can be found in the subcommittee's recommendation that the Federal Government dictate the level of unemployment without regard to price rises. This would be a slap in the face of every American under social security, with a pension, holding insurance policies, or already living on fixed incomes.

It is obvious that the erosion of purchasing power over a number of years under such a policy would be damaging in the extreme and should be resisted by all who share a concern for the security and well-being of our citizens.

The recent record of the Council of Economic Advisers in forecasting gives little confidence in what their record might be as economic planners. In 1962 the Council predicted that gross national product would reach \$570 billion and even more if the investment tax credit were enacted. The tax credit was enacted, but GNP for the year reached only \$555 billion. In 1963, however, the vigor of the private economy pushed GNP to \$585—without a tax cut. The Council said that with a tax cut GNP would range from \$573 to \$582 billion.

The subcommittee overlooks the fact that Government tax, expenditure, and monetary policies are already being used to a large extent to influence the level of economic activity and employment. The



enactment of the 7-percent investment tax credit in 1962 as well as the major tax cut enacted this year are outstanding examples. The subcommittee's attachment to an "aggressive" expenditure policy should have been satisfied by the record of recent years during which expenditures rose from \$76.5 billion in fiscal 1960 to \$98.4 billion in fiscal 1964, or about a 30-percent increase.

We believe that the recently enacted tax bill, which should lift aggregate demand substantially, should be given a chance to operate. Meanwhile, more than lip service will have to be paid to efforts to develop a more active labor market policy. Furthermore, much greater reliance must be placed on the private sector than is evidenced in the majority report.

We are delighted that the members of the subcommittee have become acquainted with the manpower revolution which for so long the administration, particularly its Council of Economic Advisers, has chosen to ignore.

We are happy also to concur in the factual conclusions reached by the subcommittee which are in line with what the Republican members of the Joint Economic Committee have been saying for years.

However, we cannot accept the notion that the old solutions of the 1930's are answers to the new problems of the 1960's and we respectfully caution the majority to remember that: "Loyalty to petrified opinion never yet broke a chain nor freed a human soul."

Let it not be said of this generation as the poet said of his compatriots a half century ago:

We lack the courage to be where we are—  
We love too much to travel on old roads  
To triumph on old fields.

We support some of the recommendations of the subcommittee and believe that others merit further study but because we differ in many ways from the majority in our approach to employment and manpower problems we present our own program. We believe that this program would go a long way toward providing those selective attacks on poverty and unemployment and the other effects of the manpower evolution which urgently require the Nation's attention. Our recommendations, as well as the facts and arguments which support them, will be found on the following pages.

### III. ADJUSTMENT TO TECHNOLOGICAL CHANGE: A KEY TO MORE JOBS

#### A. THE ESSENCE OF THE PROBLEM

The scientific and technological revolution is shaking our social and cultural foundations to the roots. It is altering the course and terms of life of every man, woman, and child upon the face of the earth.

Yesterday a man went to work with his lunch pail and a few tools and came home at night feeling that he had made something or done something useful for society. His job was generally a lifelong thing which gave him the economic base to support himself and his family. His self-respect and his family's welfare which once were firmly anchored are now being caught in an enormous vortex of social change. Today a machine not only can do what he did, but in addition can do what a whole group of his fellow workers did.

All too often it is thought that automation replaces only laborers and the semiskilled. This is, of course, a myth. The tentacles of the new technology are reaching into the white-collar level and into many an area where a man thought he had a trade.

Each week new machines and new production methods take away jobs from 35,000 people.

Each year 1,800,000 workers are replaced by machines.

Should we attempt to arrest this "machine age" aspect of the technological revolution assuming that we could? Of course not!

Advanced technology can help to produce the goods and services in a quantity and at a price which will permit all families to have a decent standard of living.

Anyone with the slightest humane impulse should be willing to concede that what can be done by machine should not be taken out of a man's back.

But what shall we do with the men and boys who have been told they are not wanted because they are considered unfit for the technical specialties which are more and more becoming a simple necessity.

Over half a million young persons today are both out of school and out of work. This is at once a tremendous economic waste and a great human tragedy.

The national unemployment rate is 5.4 percent but the rate of the 16- to 21-year age group is about 14.7 percent. While only one of every nine persons in the labor force is in the 16- to 21-year age group, nevertheless that group makes up almost one out of every four of the unemployed.

Unless we develop vitally needed programs to assist our young people in finding their places in life, the number of unemployed youngsters will be one-third greater in 1970 than it was in 1963.

When we indicate the situation may get much worse instead of better, we think about the pressure that will be created by the 26 million



new entrants who will be coming into the work force during the 1960's.

During the next 4 years the economy must produce about 12 or 13 million jobs if we are to just stay even. Should we fail to accomplish this goal, total unemployment could rise to more than 7 percent of the 1967 labor force.

In the past the untrained worker could get an unskilled or semiskilled job and many boys could work on the family farm.

In the old days as the work force increased so did the need for unskilled labor. Today the situation is different. When we are having a flood of entrants into the labor force the number of unskilled and semiskilled jobs is declining at a rapid rate.

Right now when we have an unemployment rate exceeding 5 percent many good jobs go begging because we do not have skilled people to fill them.

Why is this ironic situation taking place? Principally it is due to technological changes which have altered the character of work.

Studies show that the problem is gravest of all for school dropouts. Their unemployment rate runs 50 percent higher than that for high school graduates.

Unless we reverse present trends there will be 7½ million dropouts during the 1960's.

These youngsters who lack training and education could indeed be a lost generation.

It has been observed that "he who has not the spirit of his age has all the misery of it." If we do not aid our young people in catching the spirit of this age, surely there will be misery enough for all of us.

We believe there has been a basic failure of public education to adjust to the social and economic changes that have been taking place during the past two decades.

We are teaching skills that are now obsolete and are failing to teach new ones that are required to meet changing industrial patterns.

One national survey came up with this tragic note:

Vocational training exists in a fairyland that has not much relation to the real world of work.

Because of this sad situation Dr. Williams B. Logan, a member of the President's Panel of Consultants on Vocational Education, was able to state that—

there are 4 to 6 million unemployed; at the same time there are 4 to 6 million job openings. The difference is skills.

Many years ago it was observed that "human history becomes more and more a race between education and catastrophe." The urgency of this message has somehow escaped us and one wonders whether we still have time to catch the pulse of this historic epoch before we pay the full price for our past failures.

We believe that Americans can buckle down as they have before to learn the "knowhow" needed for their age.

## B. EDUCATION AND TRAINING

In the first session Congress passed a Higher Education Facilities Act, a Vocational Education Act, expanded features of the National Defense Education Act, and broadened the powers of the manpower development and training program. Each of these developments will

have a broad and significant impact on employment and unemployment.

Technical institutes and community colleges will be able to expand vital training facilities and render valuable assistance to those otherwise lacking technical qualifications for employment in a modern economy.

The unemployed and underemployed in the high school age bracket, including those with academic and socioeconomic handicaps, will be able to learn needed trades and professions. The gap between the need for skilled employees and the unskilled, unemployed labor pool will be considerably narrowed.

The sons and daughters of America's needy will be assisted in finding financial backing for higher education through the expansion of the National Defense Education Act. Those seeking training in national defense related fields may apply for loans keyed to the cost of their education and repayable on conclusion of their schooling at advantageous rates. Additionally, guidance and counseling services have been expanded to include the seventh and eighth grades. Students coming up from those grades on into high school and college will have access to personal guidance programs to assist them in finding their occupational orientation.

These farsighted programs, if given a chance to work, would do much to relieve the oppressive conditions of poverty and unemployment. The emphasis is on the plight of our young people—the drop-outs—boys and girls who have to support indigent or disabled parents—youngsters who otherwise would perpetuate the vicious circle of poverty because of their inability to acquire needed job skills.

#### EDUCATION AND JOB SKILLS

With these people in mind we propose that this Congress have the opportunity to take another look at programs designed to give students in institutions of higher education Federal tax allowances.

Either of two plans could be adopted.

The first is known as the Ribicoff tax credit plan, which we co-sponsored when it came before the Senate as an amendment to the Revenue Act of 1964. This plan would provide a credit against taxes for the costs of education attributable to tuition, books, and fees. The greatest allowance would go for the first \$200 of expense, with a total of \$1,500 of college expenses being eligible for preferred tax treatment. This plan would be keyed to the education of deserving young men and women in the lower income brackets and the benefits would be available to anyone paying the cost of the schooling.

The second possibility would be the so-called Prouty plan which was offered to the Revenue Act of 1964. Under this proposal working students would be allowed deductions for educational expenses up to \$1,200 for undergraduates and \$1,500 for graduate students. By 1985 potential college enrollment will double. The costs of education will skyrocket. If something is not done to insure that every American boy and girl will have a chance to go to college, our American dream will become a horrible nightmare.

A college education becomes more important with the passing of every day. Our economy desperately needs skilled technicians and engineers. Industrial methods become more complex, administrative



requirements more demanding. A high school education is no longer insurance for employment. We must act and act quickly. We must aid those who want to advance themselves by removing all unnecessary barriers to their progress.

#### HUMAN INVESTMENT CREDIT

With an eye on youth we passed amendments to the Manpower Development and Training Act, which would extend many of its benefits to our young people. At the same time we did not neglect the older workers. We propose that we follow the course set by this program and the philosophy of the tax bill and give private enterprise every opportunity to help us solve this problem.

Accordingly, we recommend that employers be given a tax credit equivalent to the magnitude of the credit extended for investment in personal property under the Revenue Act of 1962 for investments in our human resources.

We propose, also, that an employer be allowed a credit against tax of 7 percent for sums expended by him in training or retraining any of his employees about to be displaced by automation or mechanization. Second, we propose to allow an employer a 6 percent credit against tax for sums expended for the training of new employees for job skills needed within the industry. These credits shall be allowable only if immediately subsequent to the conclusion of the training period the trainee becomes gainfully employed by the training employer.

Secretary Wirtz has estimated that average retraining cost amounts to about \$1,000 per trainee under the manpower development and training program. This would result in a tax credit of from \$60 to \$70 per employee, or a revenue loss only \$120 to \$140 million for training or retraining 2 million workers. According to a paper prepared by the Legislative Reference Service this revenue loss would be cut by about 40 percent if that portion of the training expenses allowed for a tax credit, 7 percent, were not also allowed for deduction purposes.

The merits of the proposal are self-evident. A man would be employed for a job that needed filled. What training he lacked could be provided by the employer with a view toward his particular needs. There would be no redtape, no administrator, no office buildings, no staff, no counsel; in fact, no bureaucracy needed to run this program. The employer would benefit by having a vital vacancy filled with some tax relief for bearing his share of this great national burden.

#### MAKING THE MANPOWER DEVELOPMENT AND TRAINING ACT A MORE EFFECTIVE TOOL IN THE FIGHT AGAINST UNEMPLOYMENT

We believe that the Manpower Development and Training Act can play a more important role in facilitating adjustment to the technological revolution.

Today, all too often, the unemployed worker or the youth who enters the labor force finds that he cannot take full advantage of this statute until training classes are set up which have some applicability to his particular problem and his special aptitude.

Either the Manpower Development and Training Act is faulty in language or else it is defective in administration. An unemployed

worker may have a potential or aptitude unlike other jobless people in this area. His future should not depend on the ability of Federal and State officials to find other individuals who need or want the same type of training.

If, for example, a young man wants to be an auto mechanic or a stenotypist and there are schools in his area operated by private or nonprofit groups, the youth should be able to attend these institutions under the auspices of the Manpower Development and Training Act and not be required to wait and wait and wait until that one happy day when others are found who want the same preparation.

Furthermore, there may be a need for only one or two or three stenotypists in a given county. Public officials in this situation may feel that they would not be justified in setting up a special class. As a consequence, the two or three stenotypist jobs go begging while two or three people who have an interest in this type of occupation remain on the unemployment rolls.

If we concentrate our thinking only on mass or group unemployment, do we not then overlook the needs and talents of the individual?

We feel that this is the case and we, therefore, recommend that Congress and the administration work together on this problem so that under the Manpower Development and Training Act a single unemployed worker may be assisted while attending a private vocational education school or technical institute.

As indicated previously, Congress has already given some consideration to the question of allowing individuals tax relief to offset the costs of obtaining a higher education. We favor this approach, but we feel that its scope could and should be broadened to benefit those individuals who take education or training in vocational subjects at the post-high-school level.

Such an innovation would encourage many breadwinners to upgrade their skills and thereby have a better chance of keeping their jobs or of being promoted to more challenging responsibilities. It would also result in the creation of job openings both at the bottom and in the middle of our economic ladder.

In the field of unemployment compensation, as in other areas, it is well for us to reexamine our thinking from time to time. Yesterday's concepts do not always fit today's needs, and in this connection we would urge the States to consider the desirability of permitting individuals who are willing to take training or retraining to receive unemployment benefits up to normal amounts.

In the past it has been the tradition, and quite properly so, for the States to insist that the individual be actively seeking work and be ready and available for work at all times before he can prove his entitlement to unemployment compensation.

In many cases the States may deem it advisable to accept as a substitute for the "actively seeking work" requirement, proof that the individual is actively preparing for work.

#### VOCATIONAL REHABILITATION: A PROGRAM TO BRING THE HANDICAPPED INTO SUCCESSFUL EMPLOYMENT

During the last fiscal year, more than 110,000 disabled Americans were rehabilitated by the State-Federal system of vocational rehabilitation.



Nearly 5,000 of those aided by public programs have achieved success in short-supply professional occupations such as teaching, engineering, medicine, and related health activities. Another 5,000 were enabled to enter semiprofessional and managerial positions.

About 19,000 of the people who were rehabilitated had been on the public assistance rolls or were living in institutions at public expense. These persons, who are now wholly or partially self-supporting, were rehabilitated at an expense of \$19 million, a sum approximately equal to what they were receiving in public assistance.

These figures spotlight the fact that vocational rehabilitation is extremely sound from both a humanitarian and an economic standpoint. We commend all those who play a part in the administration and operation of our State-Federal program and we urge that this program be expanded so that more individuals can be restored to productive lives.

#### THE DROPOUT PROBLEM: HELP THROUGH GUIDANCE AND COUNSELING AT THE ELEMENTARY LEVEL

In view of the importance of solving the school dropout problem, much national attention has been recently focused on developing programs and techniques to keep youngsters in high school. Many communities have been encouraged to improve vocational training as an incentive for keeping students in school. Guidance and counseling for secondary students have been provided for under the National Defense Education Act. And, recent programs included in the Vocational Education Act of 1963 have been aimed at preventing school dropouts by experimenting with specially adapted and designed programs that will meet the special needs of many of these youngsters.

We support these efforts to help high-school-age youth stay in school. They are important. But, we believe that they all overlook a crucial point. In their emphasis on aiding potential dropouts at the secondary level, they attempt to remedy the problem after it has already become acute. There seems little recognition that it would probably be much more effective to help these youth at the elementary level—before they become school dropouts. Much research has been conducted to show that most dropouts can be predicted at a fairly early age: they are the children who have to repeat one or more grades, who do poorly in school academically, who fail in mastering reading, who do not partake in extracurricular activities, and who are poorly motivated to continue their schooling because of low aspirations often caused by membership in deprived and/or low socioeconomic groups. It seems to us that in light of this knowledge, much more should be done at the elementary level to aid educational personnel to identify and catch the school dropout at this early stage—before he ever reaches high school. Indeed, we feel the potential dropout can be spotted as early as the fifth and sixth grade.

For these reasons we urge a concentrated new national campaign to help dropouts by developing effective and intensive systems of guidance and counseling in America's elementary schools. These programs might operate in the following ways: Skilled guidance consultants would work with teachers in the schools to administer programs of testing and observation to help identify potential dropouts and their problems. Once discovered, teachers might be instructed in

ways of helping these children. In addition, special programs of remedial work, cultural enrichment, and psychological counseling could be instituted to get at the roots which cause a youngster to do poorly in school. At the same time teachers and counselors were working directly with children, they would also be working with parents of these children. Meetings and individual conferences with the family would be designed to give parents a more positive attitude toward the schooling and education of their child; greater support for education at home would do much to encourage these youngsters in school and instill in them the idea of the benefits of finishing high school. Possibly vocational counseling at the elementary level is too early, but it is not too soon to discover the special aptitudes these children may have and to acquaint them and their families with career areas which make good use of these aptitudes.

In today's society in which there are few demands for the worker without education or skills the "dropout" is indeed a "leftout." We would like to get at this problem before it starts. We supported the Vocational Education Act of 1963 with enthusiasm because in the counseling field it took a big step toward correcting the deficiencies which exist at the present time. The act encourages and assists our institutions in providing guidance and counseling for children in the seventh and eighth grades. This is a fine beginning, but more must be done.

Of the 26 million youths who will enter the labor force in the 1960's, 21½ million will not get past the eighth grade. These figures bring sharply to focus the need for proper counseling before youngsters have already decided that they are going to leave school.

We therefore recommend that existing statutes be amended to aid educational personnel to identify and counsel the potential school dropout at the fifth- and sixth-grade levels.

#### THE DROPOUT PROBLEM: HELP THROUGH PRIVATE ENTERPRISE

We recognize that new and improved programs in guidance and counseling at the elementary level will be of no value to those youngsters who have already left school and have been shunted aside in the labor market.

However, the Carson, Pirie, Scott Co. of Chicago has demonstrated beyond question that forward-looking employers can do much to help these young people find their place in our society. The Chicago firm developed work study programs for youngsters who failed to complete their education. These youths who were unable to adapt themselves to a purely textbook environment saw the relevance of their studies when these were actually combined with work opportunities.

Boys and girls for whom life had little meaning have found new horizons and will play a constructive rather than a destructive role in their communities.

Through the endeavors of the Carson, Pirie, Scott Co., one young girl emerged from a home atmosphere of alcoholism, prostitution, and physical beatings to become, through work study programs, a top sales girl. The example which has been set by the Carson, Pirie, Scott firm calls to mind a quotation which might serve as an inspiration to all employers:

I am only one, but still I am one. I cannot do everything, but still I can do something \* \* \*.



### C. LABOR MOBILITY: THE KEY TO BETTER JOBS AND GREATER OPPORTUNITY

It has been said that "home is where the heart is," but all too often home is not where the opportunity is.

It is never a simple matter to bid farewell to old, familiar things and old, familiar faces, or to head for new horizons that can be but dimly seen through a mist.

However, if the old hometown is for the worker the road to nowhere as far as advancement is concerned, or a road of no beginning for the unemployed, then the family man should move on to new territory. But, moving costs money and this is not always in great supply for one who must raise and educate his children and see that they are properly cared for. His situation brings to thought a story which the Irish writer, Frank O'Connor, once told about his youth. O'Connor said:

When as kids we came to an orchard wall that seemed too high to climb, we took off our caps and tossed them over the wall and then we had no choice but to follow them. I had tossed my cap over the wall of life and knew I must follow it, wherever it had fallen.

Let us help the worker who is immobilized by circumstance to toss his cap into a land of new opportunity. To do this we recommend the following:

(1) That we consider giving a subsistence or transportation allowance to unemployment insurance claimants who actively seek work in areas far from home.

(2) That the tax deductibility of the cost of moving to seek a new job be broadened to include items and expenses not now permitted.

(3) That a national conference of business and insurance organizations be convened to consider the development of programs for the transferability of pensions for individual workers who change jobs.

(4) That the Internal Revenue Code be amended to alter the definition of "home." This should be changed from the place of a workers chief employment to the place where he, in fact, has his home and keeps his family.

### D. THE U.S. EMPLOYMENT SERVICE: MATCHING MEN WITH JOBS

The U.S. Employment Service can and should be a valuable ally in the war against joblessness. It has done much good but we feel it can do more.

In this dynamic economy this Service must learn to cope effectively with regional and national manpower problems instead of being oriented principally to serve small local labor market areas.

We join the minority members of the Joint Economic Committee in recommending the establishment of a national clearinghouse for the identification and classification of emerging skill requirements, of existing skill needs, and of obsolescent skills.

In the words of one observer the national clearinghouse should maintain up-to-date information on the current and planned extent of automation and its effect in displacing workers both directly and indirectly, as well as collective bargaining programs to meet technological change. It should keep abreast of trends tending to make some skills obsolete and to increase the importance of others. It should

undertake studies of special problems such as those of displaced workers approaching retirement age, for whom retraining and placement in new jobs may present special difficulties.

The clearinghouse should also keep an up-to-date list of job vacancies for the use of the U.S. Employment Service, employers, private employment services, and others so that jobs and men can be brought together.

The monthly reports on the labor force are used by many public and private sources as one measure of the Nation's economy. Yet the concepts and techniques which are used to record unemployment have been called into question by responsible representatives of labor, management, and the public.

We urge that an impartial committee be appointed to develop better ways and means of obtaining more precise information on the extent and character of employment, unemployment, and underemployment.





## IV. ALLEVIATING THE IMPACT OF JOBLESSNESS: THE ROAD BACK TO EMPLOYMENT

### A. INSTALLMENT DEBT ASSISTANCE FOR UNEMPLOYED WORKERS

Unemployment is a many-terrored thing. All too frequently it paralyzes hope and converts dignity into despair.

When he is jobless, the worker and his family are hard hit by loss of income and lower living standards and in many cases they suffer additional privation because they cannot make payments on goods they have purchased on the installment plan. Important household items such as stoves and refrigerators are often repossessed, and when this happens the insecurities and frustrations of the jobless man multiply.

In such a situation, the family head understandably becomes quite discouraged. He knows that should he be able to get a job, his wages will be attached and he will take home little more money than he could receive as a public welfare recipient.

We believe that it is sound public policy to prevent the victimization of the unemployed man during this time of greatest need, and we believe that steps should be taken to give him and his family greater protection.

We, therefore, recommend as a proper subject for labor-management negotiations the establishment of unemployed workers' revolving funds which would give the jobless temporary assistance in paying installment debts.

We further suggest that all governments, Federal, State, and local, investigate this problem with a view to taking such supplementary action as may be necessary.

The establishment of installment debt funds with carefully drawn safeguards would prevent the destruction of incentive and would protect the families of the unemployed.

### B. ESTABLISHMENT OF A SYSTEM OF MORTGAGE UNEMPLOYMENT INSURANCE FOR THE PURPOSE OF PREVENTING HOME FORECLOSURES RESULTING FROM EXTENDED UNEMPLOYMENT

Some time ago a Member of Congress received a letter from a poverty stricken man that contained a sentence we shall never forget. The sentence was a quotation from an unknown Englishman, who said:

What is the use of living in an empire on which the sun never sets, if one must live out one's life in an alley into which the sun never shines.

This saying has a sad and special kind of ironic relevance today when we find in fairly good times that hundreds of families are losing their homes each week because they can not meet mortgage payments.

Many families suffering this loss have a father who can not obtain work on even a part-time basis.

Tragically, the heaviest burden of unemployment descends upon those least able to bear it. The persons most victimized by joblessness are those earning the smallest incomes when employed. They are also those having the largest families.



The combination of the two makes it unlikely that they will have much to put aside for a rainy day and when the rainy day comes they are in real trouble.

The minority on the Joint Economic Committee have pointed out that real estate foreclosures have jumped drastically in recent years and that the same has been true of mortgage loan delinquencies. The minority has this to say:

Delinquencies as a percentage of total mortgages are up about 50 percent on FHA-insured loans, and about 20 percent on VA-insured loans since 1959. Defaults on FHA mortgage loans, while still accounting for only a small percent of the total, have increased more than 100 percent since 1959. The increase in VA defaults has been about 30 percent. Between 1959 and 1962, FHA foreclosures jumped from 2 to 9 per 1,000 mortgages, while nonfarm foreclosures rose 96 percent.

To protect the many unemployed people who have been unable to accumulate an adequate reserve to tide them over a prolonged period of idleness, we make the following recommendation: We strongly suggest that there be established a system of mortgage unemployment insurance for the purpose of preventing foreclosures resulting from lengthy unemployment. Insurance of this kind could sharply reduce foreclosures.

#### C. ALLOWING FOR FEDERAL INCOME TAX PURPOSES A DEDUCTION FOR LOSS IN INCOME DUE TO UNEMPLOYMENT

Under today's Federal income tax structure, a family must bear an income tax even though its income is below a level that is required to provide an adequate standard of living. Some small recognition was given to this fact in the recently enacted Revenue Act of 1964, which provides a minimum standard deduction. This provision guarantees, for example, a family of four that they can earn at least \$3,000 income tax free, as compared to \$2,667 under previous law.

Even with such mitigating provisions, the income tax is usually excessively oppressive to a family that loses income, because the wage earner is temporarily unemployed. We would like to suggest a proposal that is designed to provide relief for the individual who is unfortunate enough to become unemployed.

Under our plan the individual would be allowed a deduction for any loss of income he may experience because of unemployment, provided he registers with the U.S. Employment Service and actively seeks work. If the taxpayer, in the year of unemployment, does not have enough taxable income against which he can offset the full loss, he could carry over any unused part of the deduction to another income year.

We are well aware that a family of four, for example, with an average annual income of \$6,000 will have to spend virtually all of this income for their daily needs. If the income level is reduced, they must readjust by either depriving themselves of everyday necessities or going into debt. The wage earner of the family could reach a point where he might actually have to weigh seriously the alternative of paying a doctor \$5 to treat a sick member of the family as against placing reliance on patent medicines to cure the illness. A family can go just so far in depriving its members of the basic needs of food, clothing, and medical care and other services necessary for sustaining a healthy life both physically and mentally.

What we are proposing now will extend a helping hand to a family man to recoup some of the financial loss that he experiences during a period of unemployment. Although the precise technical operation of the plan should be worked out by the tax specialists of the appropriate congressional committees, we would expect it to operate generally as follows.

Let us assume that a wage earner for a family of four has a weekly income of \$125, or an annual salary of \$6,500 if he worked the entire year. However, if he becomes unemployed for part of the year, and as a result of which his income is reduced to \$4,000, he suffers a loss of \$2,500. Under present law he will still have \$1,000 taxable income after he takes his minimum standard deduction of \$600 and personal exemptions of \$2,400. However, under our proposal he would have a further loss deduction of \$2,500 which would offset the \$1,000 taxable income. This would provide a tax saving of \$160 which would have been otherwise payable in 1964.

You will note that this taxpayer would not have benefited from a full deduction of \$2,500 in 1964. Thus, our proposal would allow the taxpayer to carry over to another year the unused part of the deduction. Therefore, in this case, the taxpayer could carry over a deduction of \$1,500 which could offset income of another year.

The carryover principle is nothing new in tax law. A business that has a net operating loss, for example, can use this loss to offset profits for a period up to either years—3 years before, and 5 years after, the year of loss.

Until we have a tax relief provision such as we have proposed, individuals who experience unemployment will continue to find it difficult to get back on their feet financially. The provision would also offer the incentive to go back to work for some few individuals who now choose to draw tax-exempt Government assistance payments rather than work for wages that would be reduced substantially by income taxes.

As we indicated above, it is hard enough at today's high prices for a wage earner with an average income to keep his head above water financially and provide the necessities of life for himself and his family even when he is fully employed. But when this difficulty is compounded as a result of a loss in income due to unemployment, the individual gets so far behind financially that he does not catch up for years.

In a land of plenty for so many it is inconceivable that we should allow this condition to exist. The need of these unfortunate individuals who through no fault of their own are unemployed but actively seeking employment is unquestionable. Therefore, let us make this small, though beneficial, effort toward helping these individuals to help themselves by allowing them a deduction for loss of income due to unemployment.

In the alternative, we recommend that some thought be given by the congressional committees responsible for income tax legislation to "income averaging" for individuals experiencing a rapid and sharp downturn in annual income. In this session of Congress we enacted into law a provision which clarified and extended the "income averaging" provisions of the Internal Revenue Code, sections 1301 to 1305, for individuals whose income undergoes a sudden upward surge. While the merits of this provision cannot be denied, isn't there even



greater equity for a similar type of tax treatment for the person suddenly unemployed, suddenly without any income whatsoever. Of what possible good, for example, is the \$600 dependent exemption to a father with four children who finds himself, through no fault of his own, without any source of annual income where last year and in prior years he earned and paid taxes on an annual income of \$6,000. Certainly the scale of equity and justice weighs more heavily in his favor than those presently favored by the tax laws.

#### D. UNEMPLOYMENT COMPENSATION FOR HIGH LEVEL UNEMPLOYMENT

We recommend a Federal program which could be called compensation for high level unemployment. Such a program would be designed to supplement the regular unemployment insurance program at any time in the future when unemployment nationally increases beyond the level for which the regular program would be responsible. This program would include the following features:

(a) Grants from the Federal Government to the States to help pay for supplementary benefits during times of national high level unemployment. Unemployment of great magnitude cannot be considered the sole responsibility of the individual States.

(b) We feel that the period during which extra benefits would be paid should be at least one-half as long as the duration to which the individual is entitled under State law or 13 weeks, whichever is longer.

(c) Our proposal, an extended unemployment benefits program for recession periods, would be activated when both of the following two conditions were met:

(i) When the total number of claimants who exhausted their regular benefit rights during 3 successive months equaled or exceeded 1 percent of employment covered by State unemployment insurance laws, and

(ii) When, during each of those 3 months, the average number of workers (seasonally adjusted) filing claims for a week of unemployment equaled or exceeded 5 percent of covered employment.

(d) Once activated, the program would continue until the number of workers exhausting regular benefit rights during 3 successive months was less than 1 percent of covered employment.

Since the proposed program is designed to deal with the problem of prolonged unemployment, a problem more characteristic of recession periods than of other times, there is considerable logic in the use of benefit exhaustions for determining the severity of the problem. While the rate of unemployment alone is usually a satisfactory basis for indicating the start and end of recession periods, for the purposes of this program, this would not always have been the best basis had such a program been in effect in the past. The rate of unemployment can rise temporarily at times other than recession periods, such as occurred during the steel strike in late 1959, without long-term unemployment becoming a widespread or serious problem. On the other hand, although less likely, the relative level of exhaustions can rise temporarily when the overall rate of unemployment remains moderate. The use of both exhaustions and the unemployment rate gives assurance that the program would not become activated unless a serious

problem of long-term unemployment existed during a period of heavy unemployment.

Once a recession begins and exhaustions increase significantly exhaustions continue to be heavy for a period of time after the overall level of unemployment recedes. This is partly due to the fact that, because of seniority practices, frequently those first laid off are the last to be recalled to their jobs, if recalled at all. The unskilled, the old, and other workers considered by employers to be marginal are often affected in the same way. Thus, the problem of long-term unemployment persists longer than does the problem of high-level total unemployment. For this reason, the basis for terminating the program is confined to the exhaustion level alone.

The "trigger" point used for exhaustions is 1 percent of employment covered under State laws. With the latter currently running at a level of about 40 million workers, the "trigger" requires at least 400,000 exhaustions during a 3-month period, or a rate of over 1½ million a year.

The indicator described above has been tested against the experience of the last 15 years encompassing four postwar recessions. The program would have operated during each of these recessions covering periods of time considered satisfactory for the purpose intended.

The unemployment compensation program discussed in this section was incorporated in S. 5, introduced by Senator Prouty in 1961. However, no action was taken on it by the democratically controlled Congress.





## V. THE WAR ON POVERTY: THE LOST BATTALIONS

Mr. Leon Keyserling, who was Chairman of President Truman's Council of Economic Advisers, severely attacked the President's war on poverty declaring that the program omits an important segment of the population—the elderly.

We wholeheartedly concur.

Mr. Keyserling pointed out that 18 million of the population are over 65 and three-fourths of them live in poverty. "Unless it is related to all aspects of the economy," Keyserling warned, "the poverty program will be a frustration and a delusion."

As will be seen in the lines which follow, we wish the administration would take to heart the words of the poet Browning: "Grow old along with me, the best is yet to be."

### A. PUBLIC WELFARE AND SOCIAL SECURITY

We think the fight against "poverty" cannot be successful unless we examine critically the effectiveness of existing programs which are designed to prevent dependency. For our older citizen this program is old-age and survivors insurance—better known as social security. It is designed to keep our older persons off welfare by providing them a decent income in their retirement years. There are some indications, however, that it is not doing the job as fully as it might and that some of its provisions are actually perpetuating poverty.

First, let us look at the broad picture of how the needs of low-income aged are being met. The theory of the Social Security Act when it was passed in 1935 and liberalized in 1939 and 1950 was that the number of aged persons on welfare would gradually decline. The old-age assistance program, in this view, would eventually be a very small residual program. But what has happened? The number of persons on the welfare program has risen from 2 million in 1940 to a high of 2.7 million in 1950. The far-reaching social security benefit liberalization of 1950 did have the effect of substantially reducing the old-age assistance rolls which fell to 2.2 million by 1961 but for the last 3 years there has been a negligible decline.

What is even more disturbing is the increase in the number of social security beneficiaries who must apply for welfare. In 1950 about 300,000 persons were under both programs. Today the figure is over 800,000 meaning that almost 4 out of every 10 welfare recipients (37 percent) are on social security. The question may legitimately be asked as to whether social security has any real meaning to these people. Since they must also apply for old-age assistance, does their social security give them the feeling of independence it gives to other retired workers?

What is the cause of this growing dilution in the meaningfulness of the social security benefit? Certainly the major factor is the size of the benefit itself—a workers benefit which can be as low as \$40 a month



and which averages just a little over \$75 a month. These certainly are benefits at poverty levels and it is no wonder that more and more people on social security must look to welfare to maintain themselves.

Moreover, there are devices built into the social security system which actually hinder a worker who has the initiative to try to bring himself up to a level of decency. The principal offender is the social security "retirement test" or income limitation. Let's see how this affects our average retired worker and his spouse. He and his wife receive benefits totaling about \$103 a month, or \$1,236 a year. He can earn \$1,200 a year without losing any benefits but this only brings the family income up to \$2,436, considerably below the annual family income level of \$3,000 which administration spokesmen says indicates the "poverty" line. If our aged worker decides to earn another \$600 he will soon find that earning this additional amount has cost him \$350 in benefits and his take-home income has only advanced to \$2,686. But the "treadmill" is only warming up for when his earnings passed \$1,700 a year the social security law requires that for every dollar of earnings a dollar of benefits will be lost. The more he works the more benefits he loses, on a dollar-for-dollar basis, until his benefits are exhausted. Needless to say thoughtful workers, at this point, will wonder whether they are working for themselves or for the social security trust fund. They will point out with justification that the Government actually does not want them to have a take-home income in excess of an amount below the poverty level.

To our way of thinking this is a perfect example of the right hand not knowing what the left hand is doing. The administration declares "total war" on poverty but does not suggest amendment of existing programs which are perpetuating the disease. While urging cures by the enactment of new programs, it fails to see the weaknesses in old programs which are playing a major role in the spread of the disease. A social security benefit standard which provides minimum levels of decent living will keep people off the welfare rolls. Moreover, a liberalized income limitation will do away with the ridiculous situation in which we are preventing older persons from pulling themselves up to a dignified and meaningful existence. The exercise of this ability to help themselves is necessary for both their material and spiritual well-being. To do nothing is to encourage indolence and acceptance of an economic fate which persons in this country in the past have not been willing to accept.

#### **B. RECOMMENDATION THAT SOCIAL SECURITY BENEFITS BE MADE AVAILABLE TO ALL PERSONS 70 YEARS OF AGE OR OLDER WHO HAVE NO PENSION FROM ANY PUBLIC SOURCE**

Social security benefits have been in effect for almost 30 years. These benefits have given working women and working men and their wives an opportunity to provide an annuity for themselves during their retirement years. The annuity is, of course, a supplement to whatever savings and investments they have been able to make during their years of active employment.

Unfortunately, however, the original social security law did not cover many people who should have been covered, and although its scope has been expanded over the years, a significant number of persons do not fall under the umbrella of its protection.

We speak now of those individuals who worked throughout their lives and who are now too old to return to work to earn coverage under the provisions of an expanded law—those persons who are 70 years of age or older.

These older folks are not to blame because the opportunity for an annuity has been denied to them. On the contrary, we are fairly certain that many, perhaps most, of them would have participated in the old-age and survivors insurance program had they been permitted to do so. But, not only were they excluded from mandatory coverage, they were not even permitted voluntarily to come within the effect of the law.

Senator Prouty has introduced a bill, S. 2593, which would provide social security benefits to all persons 70 years of age or over who receive no annuity from any other public source. The fact that a man or woman has some income from savings would not bar him or her from receiving benefits under this bill.

The Prouty proposal calls for a transfer from general Treasury funds to the social security fund of an amount equal to the employer-employee contributions which would otherwise have been contributed during the working career of persons 70 years of age or older for the period January 1951 to December 1962 or earlier if the intended recipient reached age 69 prior to that date.

Loud noises are being made about wars on poverty, Domestic Peace Corps, and the like. We think it then appropriate to suggest that this bill will very dramatically attack "pockets of poverty" which have resulted not from neglect on the part of our older people, but rather from the simple fact that the law ignored them when it and amendments to it were adopted.

There are in this country some 10,773,000 persons 70 years of age or older.

In one State, for example, about 10 percent of the persons in this age category who are on public assistance do not receive any social security benefits. It is these people that we would like to include within the social security system.

This bill does not establish an immense program which will continue to grow. Indeed, the number of persons whom it will benefit will constantly diminish. This is true because of the constant increase in the number of persons covered by the various retirement systems. As more people reach 70 years of age, they will already be entitled to receive pensions because they have participated during their working years.

The Prouty bill will close a gap in the law which permits an economic injustice. We strongly recommend that the provisions of this measure be enacted as soon as possible.

### C. WIDOW'S SOCIAL SECURITY BENEFIT ELECTION

One of the groups in our society most susceptible to poverty and most deserving of help are elderly widows. The median annual income of women 65 and over is a mere \$900. Although many of these women receive social security benefits, they often find that work is a financial necessity.

As now set up, the social security system works a serious injustice on many of these women. When they draw widow's insurance benefits and work at the same time, they are required to contribute to the



social security fund if they are in covered employment. Contributions are required even though it is highly unlikely that they will ever draw benefits as a result of these contributions. In addition, if they have worked and contributed to the system prior to the husband's death and then elect to take their late husband's benefits rather than their own, they forfeit the contributions which they have made through the years from their own wages.

We believe that equity demands that the law be amended in two respects. It should provide that any woman who draws widow's benefits under the social security system and works at the same time may elect to be exempted from coverage so that she need not make contributions for which she would be likely never to receive benefits. In addition, she should receive a refund of any contributions she may have made to the system prior to drawing benefits.

#### D. SURPLUS FOODS FOR THE NEEDY

How effective has the administration been in helping to resolve one of the most challenging problems of our time—the problem of sharing our huge agricultural surpluses with people who are hungry? The nature of this dilemma is suggested by the fact that we are spending around \$450 million a year to store surpluses at a time when, according to the National Policy Committee on Pockets of Poverty, 20 million Americans—1 out of 10—exist in a state which is described as “abject poverty” in that they must do without bare necessities, while another 26 million live at “minimum adequacy” levels.

The record shows that the administration's response to this challenge has been both superficial and schizophrenic—with overtones suggesting that “political pork” may, from time to time, have been the major item for distribution. With much fanfare it was announced, early in 1961, that in addition to a broad expansion of the existing direct distribution of surplus food packages a new program of “food stamps” would be inaugurated with the somewhat general purpose of increasing food purchasing power through commercial channels by enabling low-income families to purchase paper money, redeemable at local banks, to buy food exclusively. The announcement, in the words of the Secretary of Agriculture, was to expand “the demand for commodities that are in surplus that contributes to trying to strengthen the economic position of the American farmer.”

Now what does the record show. With respect to the existing direct distribution of food packages—a program for which the States and localities bear the entire administrative costs—a few food items have been added, including peanut butter and, from time to time, canned chopped meat. But, in general the program has been limited to about 10 items including butter, nonfat dried milk, dry beans, milled rice, cornmeal, flour, lard, rolled wheat, and cheese. In his testimony before the Committee on Agriculture of the House of Representatives, Secretary Freeman himself described the inadequacy of this program since “a limited number of commodities \* \* \* can be made available \* \* \*” and because “the direct distribution program is difficult to administer unless you are prepared to expend very extensive costs for careful certification, careful checking of what is distributed, follow up as to how it is used.” It is the purpose of the administration to continue this program but no suggestion has been made that the Federal

Government share the costs of administration (as it does in most other welfare programs), and States and localities must continue to bear the full cost of distributing—and often of packaging—the surplus foods once they have been dumped at a central point.

As to the “food stamp” program, hailed as a bold new step forward, the actual expenditures show that it was, indeed, a limping step. For of the \$50 million allocated from funds provided through section 32 of the Agriculture Act of 1935 only \$13,534,000 was spent in 1962 and just \$18,640,000 in 1963. Although over 200 communities, including the District of Columbia, have asked to participate, the program has been limited to 45 areas (41 counties and 4 cities in 22 States). The vague and conflicting criteria which have been applied in selecting certain areas and excluding many others, raise certain questions. During the course of the House hearings last June the following colloquy took place:

Mr. HOEVEN. How do you explain that the first 26 pilot plans were all placed in the districts of Democratic Members of Congress? I believe that the gentleman from Pennsylvania, Mr. Saylor, a Republican, had one of the most critical areas in the United States. He made representations to you to have his district included and that was not done until quite recently.

The Secretary's explanation of his criteria left much to be desired. He defended his choices as resting on such rather vague criteria as being “study areas,” or providing a “combination of circumstances” or “various facts” of experience. He added that “need” was “not an overwhelming criteria.”

The question as to whether or not an area's political bent may also be a criteria went unanswered. The 32 jurisdictions in which no projects whatsoever were found which could meet these slippery criteria are Alaska, Arizona, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Guam, Hawaii, Idaho, Iowa, Maine, Maryland, Massachusetts, Mississippi, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, the Virgin Islands, and Wyoming.

It is true that the Secretary found some problems developing even in so small a program. Participants found it difficult to meet the requirement that the additional “paper money” be purchased once a month in a lump sum. For example, a family of five with a monthly income of \$105 must put up \$46 in a lump sum to receive “bonus stamps” amounting to \$42 with the specification that at least 65 or 70 percent of the combined amount (\$88) must be spent according to a food standard allowed by the Department. This means that a family must have enough cash to be able to put up a rather substantial amount to get the bonus to meet its food needs alone. This is not the case with respect to the direct distribution program.

Moreover, some problems have arisen at busy food-checking stands because of Federal restrictions as to the kinds of foods which are eligible. By June 1963, 104 of 8,000 approved retailers have been investigated and 35 suspended. The most frequent violation in these cases involved the sale of ineligible foods, soap, and paper supplies. Although Secretary Freeman found that, even in these 35 stores, most of the coupons were being used to buy eligible foods, because of minor infractions of Federal regulation they were suspended anyway.



Despite the privation in many poverty stricken areas the administration failed to use more than a fraction of the money allocated for the food stamp program. Now in a political election year it is sending forth trumpet blasts about its concern for the poor—blasts that have a somewhat hypocritical echo in the face of its prior inadequacies.

This famine-to-feast, all-or-nothing approach can certainly be questioned as a matter of policy, experience, and humanitarianism.

We would caution the administration to remember the parable in which Christ indicted men for their indifference. "I was hungry," He said, "and ye did not give me to eat; thirsty, and ye gave me no drink; a stranger and ye took me not in; naked and ye clothed me not."

The minority does not question the need for the expansion of our surplus foods programs, but in fact recommends that these programs be made effective for the first time and that human need and not political greed be the criterion for distribution.

#### E. SCHOOL LUNCH AND SCHOOL MILK PROGRAMS

Two nationwide activities of great potential significance to help eliminate poverty are the successful and effective special milk program to increase the consumption of milk and the national school lunch program enabling 16 million children in nearly 70,000 schools to eat wholesome and nutritious meals each school day. The lunch program not only protects the health of our schoolchildren and expands the markets for America's food production, it provides what is all too often the only adequate meal of the day for many hungry children throughout the country.

The unfortunate millions living in pockets of poverty could be assisted by an expanded lunch program, which would assure that no child would ever be forced to go to school, already hungry, and sit through an entire day without a meal. Well-balanced and healthful meals are unknown among the impoverished. The moving story of a Georgia family with eight children is described in a recent Newsweek article on poverty:

Last week, the oven of the broken-down stove contained a hunk of white fat-back, the size of a man's hand, and some grits. Claudie Mae was making the family staple—hoe cake. "Ain't got no milk," she said with a bewildered little giggle. "You spose to use milk. I uses water."

Education is a crucial factor in overcoming poverty and deprivation, yet these children of the poor perpetuate poverty because their productive abilities are starved and energies drained by malnutrition. A poorly nourished child is ill equipped to meet the demands our schools must make upon youth in this increasingly complex technological and scientific age. Provision of nutritious foods can stimulate interest in learning as well as assist in family efforts to maintain standards of health in the care of children.

Surely no better investment can be made than to increase funds so that wholesome lunches and milk will be available to all children of school age. Special assistance in providing these programs should be given to all economically deprived areas. Amendments to the national school lunch program in 1962 authorized the appropriation of up to \$10 million to provide special assistance to schools drawing attendance from areas in which poor economic conditions exist.

Since 1962 the budget has included either a small appropriation or none at all for this purpose when, instead, the appropriation could be greatly increased to meet the need of the economically depressed areas. Currently, the budget request calls for only \$2 million for special assistance to needy schools. The milk program could also be increased to extend the consumption of milk to every ill-fed and hungry child in our Nation.

A war on poverty should fully utilize existing programs to reach the underprivileged and forgotten millions of our land.

#### F. MEDICAL PROFESSION'S LOAN PROGRAM

One of the major problems in American medicine today is the serious lag between our medical knowledge and our medical care. The best, and even adequate medical care, is out of reach of many of our citizens today. This situation is in part a result of what Secretary Celebrezze has termed "our increasingly critical need for additional health personnel." The doctor-to-population ratio has only risen from 135 to 137 doctors per 100,000 persons since 1940 while the demands upon physicians have increased markedly as a result of the larger proportion of the very old and the very young in our population and more widespread health insurance coverage.

Moreover, these figures do not show the full severity of our shortage. The trend in recent years has been toward increased urbanization and specialization of doctors. The percentage of general practitioners and part-time specialists has dropped from 76.1 percent in 1931 to only 30.6 percent in 1962. More and more doctors are going into fields other than family practice.

The Surgeon General, Dr. Luther Terry, testified last year that whereas in 1930 each family physician—including general practitioners, internists, and pediatricians—had a potential patient load of 1,300, today that potential load has reached 1,900.

The Public Health Service has stated that "experience in large medical groups indicates that comprehensive medical care, including both general and specialized services, requires on the average 1 physician for about 1,000 persons." The American Medical Association Council on Medical Service considers more than 1,200 persons per physician to be a major evidence of need. In 1960 one-third of the counties in the United States had more than 2,000 persons per physician.

The rural and the poor bear the brunt of the physician shortage. A Public Health Service survey showed that the 1959 rate of active non-Federal physicians to population was 158 per 100,000 for greater metropolitan areas compared to 47 percent for isolated rural areas. Another Public Health survey conducted between 1957 and 1959 showed that the number of physician visits per person per year was directly related to residence and family income. Urban residents averaged 5.3 visits and rural persons averaged 4.6. For farm people the average was as low as 3.8. When related to family income, the average ranges from 4.6 visits per person per year for those with incomes under \$2,000 to 5.7 for those earning over \$7,000.

The Health Professions Educational Assistance Act, signed into law last fall should do much to counteract the physician shortage in general, but how much will it do to help the rural and the poor, the very ones who are most in need of additional health care? This is not a



problem that will take care of itself for as a Public Health Service publication, "Health Manpower Source Book," reported:

It is generally recognized that physicians, for both economic and professional reasons, tend to concentrate in urban communities. Metropolitan areas are usually characterized by high per capita income, readily available hospital facilities, and opportunities for frequent contact with hospital staffs and medical teaching centers.

We must offer some special incentive to encourage doctors to practice in needy areas. We believe that one effective approach would be to add a loan forgiveness clause such as that proposed in S. 2220 to the Health Professions Educational Assistance Act. This provision, which was in the original bill, would provide up to 50 percent forgiveness on loans made under this act to doctors who practiced in areas designated by the State to have a shortage of physicians. Ten percent would be forgiven for each year of practice. This could mean forgiveness of as much as \$4,000 plus interest which would be strong encouragement to a young doctor to practice in a designated area. We owe it to the citizens of this country, both rich and poor, who are financing this program, to do as much as we can to alleviate the doctor shortage where it is most severe—in the rural and impoverished areas.

#### G. BETTER SCHOOLS AND TEACHERS FOR "POVERTY IMPACTED" AREAS

One agency upon which great effort must be focused in our attack against poverty is that of the school. Recent studies and discussions have made it clear that in poverty areas schools are one of the most important places for contacting and working with both underprivileged children and youth and their families. Through the schools effective programs of specially planned and enriched programs of education and carefully designed community programs can operate to help youngsters in these areas to improve not only their skills and abilities but also to raise their hopes and aspirations.

If these schools in poverty areas are to succeed in their aims, however, it is apparent that they must be staffed with highly skilled and specially trained teachers. For the schools can be only as good as the people who teach in them. And the quality of education presented to the youth can only be as high as the teachers are equipped and able to give.

For these reasons, we believe that a major attempt must be made to recruit and train the ablest of our college youth to teach in these areas. This task may be difficult because of the particularly hard conditions under which students know teachers in poverty areas must work. By offering incentives in terms of higher pay and more liberal college loans to prospective teachers in these areas, we think students will be encouraged to enter teaching in this field.

We urge that as a concrete measure to stimulate students to become teacher in poverty areas, the forgiveness features of the National Defense Education Act's teacher loan provision be increased for those who promise to teach in these areas. Currently, for those preparing to be teachers up to 50 percent of the National Defense Education Act loan can be "forgiven" when the student actually teaches for a specified number of years. If this percentage could be upped to 75 percent for teachers in poverty areas, students might give work in this area higher priority. We suggest that this is one way to attract the able talent we need to teach and work in the schools of the poverty areas of our Nation.

All too often we find that in poverty areas where the highest quality of education is needed, there is found only the lowest. We recommend a general upgrading of the schools in these areas.

#### H. OVERTAXATION OF THE POOR: AN ADMINISTRATION POLICY

On February 7 of this year the U.S. Senate gave its approval to H.R. 8363, the Revenue Act of 1963. This bill received ample support in this body, having been passed by a vote of 77 to 21.

While we voted in favor of this tax bill, we deeply regret the failure of the Senate to approve any of the numerous Republican amendments brought before it providing for repeal or reduction of certain excise taxes. Rejection of these amendments because of administration opposition has withheld tax relief where it is really needed—at the lower income levels.

At the present time the Federal Government levies excise taxes on a great many products. Some of the taxes are paid by the manufacturer and are passed on to the consumer, hidden in the purchase price of the article. Those imposed on automobiles and automotive essentials, such as carburetors, fuel pumps, or starters can hardly be called luxury taxes. The same could be said of taxes on refrigerators and probably radios and television sets.

Excise taxes are regressive—they are levied contrary to our generally accepted principle of taxation which is based upon ability to pay. They exert the heaviest burden on those with lower incomes who can least afford to pay them. While lower income tax rates provided in the tax bill will give some measure of relief to individuals in middle or higher income tax brackets, no relief is given to those individuals who do not receive enough income to pay any Federal income tax. According to a preliminary release just issued by the Internal Revenue Service reporting data on 1962 incomes, as many as 12,602,938 out of the total number of income tax returns filed of 62,714,707 did not report sufficient income to be subject to any tax liability. Yet these individuals in the lowest income tax brackets must pay taxes on the inexpensive jewelry, cosmetics, handbags, and other items universally used in everyday living.

In a study which was published by the Joint Economic Committee some years ago, it was pointed out that the lower-income groups pay a higher proportion of their income in excise taxes than do higher-income groups since consumption expenditures as a percent of total income decline as incomes rise. This study gave the following breakdown by income class, showing the percentage of income received in 1954 which was paid in Federal excise taxes:<sup>1</sup>

| Income class:            | <i>Percent of<br/>income going<br/>to pay Federal<br/>excise taxes</i> |
|--------------------------|------------------------------------------------------------------------|
| 0 to \$2,000.....        | 5.0                                                                    |
| \$2,000 to \$3,000.....  | 4.5                                                                    |
| \$3,000 to \$4,000.....  | 4.1                                                                    |
| \$4,000 to \$5,000.....  | 3.9                                                                    |
| \$5,000 to \$7,500.....  | 3.6                                                                    |
| \$7,500 to \$10,000..... | 3.3                                                                    |
| Over \$10,000.....       | 1.9                                                                    |

<sup>1</sup> Musgrave, Richard A., "The Incidence of the Tax Structure and Its Effects on Consumption," published in a committee print, "Federal Tax Policy for Economic Growth and Stability," by the Joint Economic Committee, Washington, U.S. Government Printing Office, 1955, p. 98.



Thus it was brought out that those individuals with annual incomes of less than \$2,000 must pay about 5 percent of their income in Federal excise taxes, while those in higher-income brackets—in excess of \$10,000, pay only 1.9 percent of their incomes for these taxes. These data serve to illustrate how excise taxes exert the heaviest burden on the poor—in times of depression as well as in more prosperous periods and reduce the meager amount of funds available for the necessities of life. For this reason alone, these taxes should be abolished and greater reliance should be placed on taxes which are imposed in accordance with ability to pay. But there are others.

Diminished demand for taxed goods only restricts production and causes unemployment of men and resources. This has had a depressing effect upon the entire economy contributing to a decline in incomes, profits, and governmental revenues and producing chronic budgetary deficits.

Excise taxes aggravate the problems of the small retailer by placing upon him an additional burden of tax collecting. Often the imposition of the excise tax on particular merchandise and the exemption of other closely related merchandise is confusing to sales personnel and customers alike. Separate bookkeeping entries must be made and quarterly reports filed. Records are subject to periodic audit. Failure to comply subjects him to Federal penalties. Hence, some retailers prefer to handle only those commodities which do not require the additional task of tax collecting.

Repeal of Federal excise taxes is now long overdue and would give our economy the stimulus which it so sorely needs. Despite the fact that our economy is now generating a gross national product at the unprecedented annual rate of \$600 billion, industry is operating at about 87 percent of capacity and 4 million Americans, or 5½ percent of our total labor force, are seeking employment but are not able to find it. Many more individuals are underemployed—they are working fewer hours and are earning insufficient incomes to support themselves and their families.

Our economy must grow sufficiently to provide jobs for those workers displaced by automation and for the nearly 1 million young people maturing and entering the labor market each year. One out of six of these young people are now unable to find work as they join the labor force.

More than 30 million individuals are living in families which are earning less than \$3,000 a year, and half of these subsist on less than \$2,000 per year. President Johnson has pledged that an all-out war would be waged against poverty. Repeal of Federal excise taxes would do much to enable him to achieve his goal of eliminating the distress felt by many of our people. It would release additional purchasing power in the hands of consumers and would create more job opportunities in industries expanding to meet the increased demand for goods and services. Thus a higher level of prosperity would be achieved for business firms and individuals to enjoy.

Action must be delayed no longer in granting relief to individuals and business firms by elimination of these onerous taxes which have depressed the economy too long and which have prevented it from operating at full capacity, utilizing fully our Nation's human and natural resources.

## VI. SPECIAL GROUP PROBLEMS

It has been said that the road to new opportunity is no longer a geographic line on the map; it runs through the heart and conscience of America. But we are all aware that it has dead end streets, detours, and "Do Not Enter" signs for thousands of citizens who hope to travel toward a better life.

Certainly for the Negroes this has not been the promised land but rather the land of unfulfilled promises.

One out of every 10 workers is a Negro. Yet the incidence of Negro unemployment is much higher than that among white employees.

And, too, when the Negro gets a job the door to promotion is not always open.

Studies show that members of the Negro population who have high school diplomas frequently earn less than whites who have not completed the eighth grade.

In some cases, the hard luck of the Negro can be attributed to the poor quality of the education he has received, but in all too many cases he is denied advancement or opportunity solely because of the color barrier.

The struggle by the Negro for equal opportunity is etching its mark on the soul of America. There are those who tell the Negro that he must wait and that time will heal everything. But the Negro has waited a long time and he finds that 9 years after the Supreme Court's desegregation decision, fewer than 8 percent of the Negro children in the South are attending integrated schools.

The Negro has waited patiently, and 100 years after the Emancipation Proclamation he sees that only 10 percent of his people are allowed to vote in county after county.

In many towns and cities the Negro cannot eat in a restaurant, go to an amusement park with his child, or even to church with his family. All too often he must look through the window at a world that is marked "For Whites Only."

Even if a strong civil rights program is approved by Congress, the colored man will be a long way from total equality. No bill can erase the prejudice in the hearts of men, and no court order can uproot overnight the customs and traditions that have existed for over 150 years. These customs and traditions are a force almost as powerful as law itself.

While there are fewer obstacles to the elimination of discrimination in the North, its presence is no less real. North, south, east, and west there is de facto segregation and economic discrimination against the Negro. The time has come to practice everywhere what we preach to the South.

Man's inhumanity to man will not end in this century nor in the next in this country or elsewhere but at least we can begin its undoing.

To avoid disappointment, the Negro should recall the words of the German-Jewish Poet Heine, who warned his fellow Jews when the



walls of the ghetto came down: "Remember, we must be twice as good to get half as much." Perhaps the odds for the colored man are even higher.

It is a sad bit of irony that as the Negroes approach for the first time the border of civil and political equality, they are falling behind in their endeavor to achieve economic equality.

The Council of Economic Advisers, on September 24, 1962, said the economic loss to the United States resulting from racial discrimination in employment is about \$13 billion a year.

So discrimination causes economic as well as human misfortune.

In addition to such statutes as have been or may be enacted at the Federal and State levels to protect minority groups against discrimination, we urge the following:

(1) That labor and management include in their collective bargaining agreements positive contractual obligations barring discrimination of any kind.

(2) That organized labor and management exert maximum efforts through education programs to show the need for equality of opportunity.

WINSTON L. PROUTY.

## INDIVIDUAL VIEWS OF MR. JORDAN OF IDAHO

While I voted to report this legislation out of committee, I did so with the reservation that every member should have the opportunity to expand his views. I find myself, in regard to my views on this bill, in substantial agreement with the views expressed by Senators Goldwater and Tower.

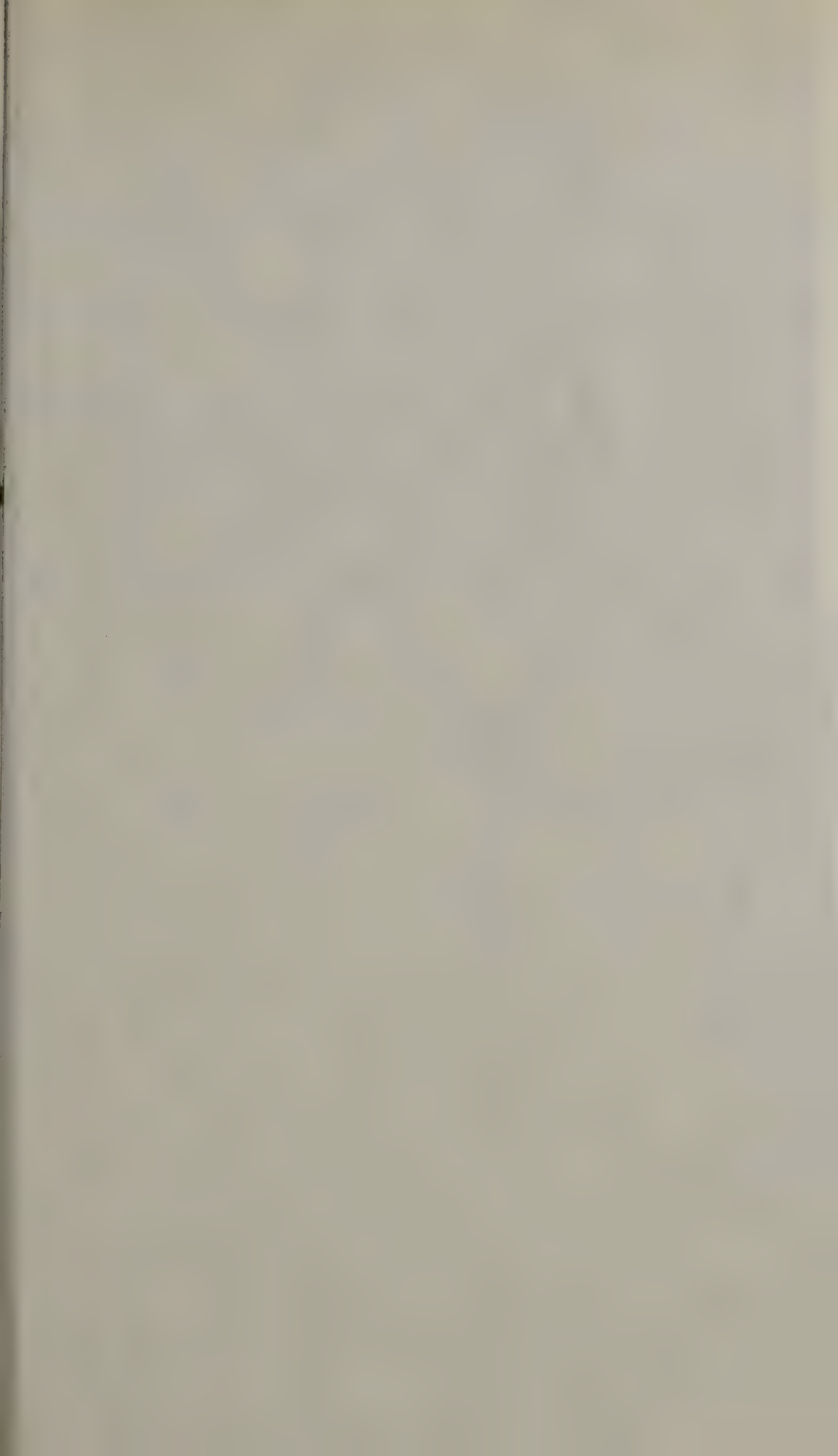
LEN B. JORDAN.

133













S. 2642

[Report No.     ]

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IN THE SENATE OF THE UNITED STATES

MARCH 16 (legislative day, MARCH 9), 1964

Mr. McNAMARA (for himself, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CHURCH, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. ENGLE, Mr. HART, Mr. HARTKE, Mr. HUMPHREY, Mr. INOUE, Mr. KENNEDY, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MCGEE, Mr. MCGOVERN, Mr. METCALF, Mr. MORSE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SMATHERS, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

JULY 8, 1964

Reported by Mr. McNAMARA with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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**A BILL**

To mobilize the human and financial resources of the Nation to  
combat poverty in the United States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the “Economic Opportunity  
4       Act of 1964”.

5               FINDINGS AND DECLARATION OF PURPOSE

6       SEC. 2. Although the economic well-being and pros-  
7       perity of the United States have progressed to a level sur-



1 passing any achieved in world history, and although these  
2 benefits are widely shared throughout the Nation, poverty  
3 continues to be the lot of a substantial number of our people.  
4 The United States can achieve its full economic and social  
5 potential as a nation only if every individual has the oppor-  
6 tunity to contribute to the full extent of his capabilities and  
7 to participate in the working of our society. It is therefore  
8 the policy of the United States to eliminate the paradox of  
9 poverty in the midst of plenty in this Nation by opening to  
10 everyone the opportunity for education and training, the  
11 opportunity to work, and the opportunity to live in decency  
12 and dignity. It is the purpose of this Act to strengthen,  
13 supplement, and coordinate efforts in furtherance of that  
14 policy.

## 15 TITLE I—YOUTH PROGRAMS

### 16 PART A—JOB CORPS

#### 17 STATEMENT OF PURPOSE

18 SEC. 101. The purpose of this part is to prepare for  
19 the responsibilities of citizenship and to increase the em-  
20 ployability of youths aged sixteen through twenty-one by  
21 providing them in residential centers with education, voca-  
22 tional training, useful work experience, including work di-  
23 rected toward the conservation of natural resources, and  
24 other appropriate activities.

## ESTABLISHMENT OF JOB CORPS

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part;

(b) provide education and vocational training to enrollees in the Corps or, where appropriate, arrange for the provision thereof by another Federal agency or by State or local public educational agencies;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for



1 the selection of enrollees and to govern their conduct  
2 after enrollment, including appropriate regulations as to  
3 the circumstances under which enrollment may be ter-  
4 minated.

5 COMPOSITION OF CORPS

6 SEC. 104. (a) The Corps shall be composed of male  
7 individuals who are permanent residents of the United States,  
8 who have attained age sixteen but have not attained age  
9 twenty-two at the time of enrollment, and who meet the  
10 standards for enrollment prescribed by the Director. Par-  
11 ticipation in the Corps shall not relieve any enrollee of ob-  
12 ligations under the Universal Military Training and Service  
13 Act (50 U.S.C. App. 451 et seq.).

14 (b) In order to enroll as a member of the Corps, an  
15 individual must agree to comply with rules and regulations  
16 promulgated by the Director for the government of the  
17 Corps.

18 (c) The total enrollment of any individual in the Corps  
19 shall not exceed two years except as the Director may deter-  
20 mine in special cases.

21 ALLOWANCES AND MAINTENANCE

22 SEC. 105. (a) Enrollees may be provided with such  
23 living, travel, and leave allowances, and such quarters, sub-  
24 sistence, transportation, equipment, clothing, recreational  
25 services, medical, dental, hospital, and other health services,

1 and other expenses as the Director may deem necessary or  
2 appropriate for their needs. Transportation and travel al-  
3 lowances may also be provided, in such circumstances as  
4 the Director may determine, for applicants for enrollment to  
5 or from places of enrollment, and for former enrollees from  
6 places of termination to their homes.

7 (b) Upon termination of his enrollment in the Corps,  
8 each enrollee shall be entitled to receive a readjustment al-  
9 lowance at a rate not to exceed \$50 for each month of  
10 satisfactory participation therein as determined by the Direc-  
11 tor: *Provided, however,* That under such circumstances as  
12 the Director may determine, a portion of the readjustment  
13 allowance of an enrollee not exceeding \$25 for each month  
14 of satisfactory service may be paid during the period of  
15 service of the enrollee directly to a dependent (as that term  
16 is defined in section 401 of title 37, United States Code) and  
17 any sum so paid shall be supplemented by the payment of  
18 an equal amount to the dependent by the Director. In the  
19 event of the enrollee's death during the period of his service,  
20 the amount of any unpaid readjustment allowance shall be  
21 paid in accordance with the provisions of section 1 of the  
22 Act of August 3, 1950 (5 U.S.C. 61f).—

23 APPLICATION OF PROVISIONS OF FEDERAL LAW

24 SEC. 106. (a) Except as otherwise specifically pro-  
25 vided in this part, an enrollee shall be deemed not to be a



1 Federal employee and shall not be subject to the provisions  
2 of laws relating to Federal employment, including those re-  
3 lating to hours of work, rates of compensation, leave, unem-  
4 ployment compensation, and Federal employee benefits.

5       ~~(b)~~ Enrollees shall be deemed to be employees of the  
6 United States for the purposes of the Internal Revenue Code  
7 of 1954 ~~(26 U.S.C. 1 et seq.)~~ and of title II of the Social  
8 Security Act ~~(42 U.S.C. 401 et seq.)~~, and any service per-  
9 formed by an individual as an enrollee shall be deemed for  
10 such purposes to be performed in the employ of the United  
11 States.

12       ~~(c)~~ ~~(1)~~ Enrollees under this part shall, for the purposes  
13 of the administration of the Federal Employees' Compensa-  
14 tion Act ~~(5 U.S.C. 751 et seq.)~~, be deemed to be civil  
15 employees of the United States within the meaning of the  
16 term "employee" as defined in section 40 of such Act  
17 ~~(5 U.S.C. 790)~~ and the provisions thereof shall apply except  
18 as hereinafter provided.

19       ~~(2)~~ For purposes of this subsection:

20       ~~(A)~~ The term "performance of duty" in the Fed-  
21 eral Employees' Compensation Act shall not include  
22 any act of an enrollee—

23               ~~(i)~~ while he is on authorized leave or pass; or

24               ~~(ii)~~ while he is absent from his assigned post  
25 of duty, except while participating in an activity

1 authorized by or under the direction or supervision  
2 of the Corps.

3 ~~(B)~~ In computing compensation benefits for dis-  
4 ability or death under the Federal Employees' Compen-  
5 sation Act, the monthly pay of an enrollee shall be  
6 deemed to be \$150, except that with respect to com-  
7 pensation for disability accruing after the individual con-  
8 cerned reaches the age of twenty-one, such monthly pay  
9 shall be deemed to be that received under the entrance  
10 salary for GS-2 under the Classification Act of 1949  
11 ~~(5 U.S.C. 1071 et seq.)~~.

12 ~~(C)~~ The term "injury" as defined in section 40  
13 of the Federal Employees' Compensation Act ~~(5 U.S.C.~~  
14 ~~790)~~ shall include disease, illness, or injury if it arises  
15 out of service in the Corps.

16 ~~(D)~~ Compensation for disability, including medi-  
17 cal care, shall not begin to accrue until the day follow-  
18 ing the date on which the enrollment of the injured  
19 enrollee is terminated.

20 ~~(d)~~ An enrollee shall be deemed to be an employee  
21 of the Government for the purposes of the Federal Tort  
22 Claims Act ~~(28 U.S.C. 2671 et seq.)~~.

23 ~~(e)~~ Personnel of the uniformed services who are de-  
24 tailed or assigned to duty in the performance of agreements  
25 made by the Director for the support of the Corps shall



1 not be counted in computing strengths under any law limit-  
2 ing the strength of such services or in computing the per-  
3 centage authorized by law for any grade therein.

#### 4 PART B—WORK-TRAINING PROGRAMS

##### 5 STATEMENT OF PURPOSE

6 SEC. 111. The purpose of this part is to provide useful  
7 work experience opportunities for unemployed youths,  
8 through participation in State and community work-training  
9 programs; so that their employability may be increased or  
10 their education resumed or continued and so that public  
11 agencies and private nonprofit organizations will be enabled  
12 to carry out programs in the field of conservation and de-  
13 velopment of natural resources and recreational areas; or  
14 other programs which will permit or contribute to an under-  
15 taking or service in the public interest that would not other-  
16 wise be provided.

##### 17 DEVELOPMENT OF PROGRAMS

18 SEC. 112. In order to carry out the purposes of this  
19 part, the Director shall assist and cooperate with State and  
20 local agencies and private nonprofit organizations in devel-  
21 oping programs for the employment of young people in  
22 State and community activities hereinafter authorized, which,  
23 whenever appropriate, shall be coordinated with programs of  
24 training and education provided by local public educational  
25 agencies.

## FINANCIAL ASSISTANCE

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the develop-



1       ment, management, or protection of State or community  
2       recreational areas;

3           (4) the program will not result in the displacement  
4       of employed workers or impair existing contracts for  
5       services;

6           (5) the rates of pay and other conditions of employ-  
7       ment will be appropriate and reasonable in the light of  
8       such factors as the type of work performed, geographical  
9       region, and proficiency of the employee;

10          (6) to the maximum extent feasible, the program  
11       will be coordinated with vocational training and educa-  
12       tional services adapted to the special needs of enrollees  
13       in such program and sponsored by State or local public  
14       educational agencies: *Provided, however,* That where  
15       such services are inadequate or unavailable, the program  
16       may make provision for the enlargement, improvement,  
17       development, and coordination of such services with the  
18       cooperation of, or where appropriate pursuant to agree-  
19       ment with, the Secretary of Health, Education, and  
20       Welfare; and

21          (7) the program includes standards and procedures  
22       for the selection of applicants, including provisions  
23       assuring full coordination and cooperation with local and  
24       other authorities to encourage students to resume or  
25       maintain school attendance.

1     ~~(b)~~ In approving projects under this part, the Director  
2 shall give priority to projects with high training potential.

3                   ENROLLEES IN PROGRAMS

4     SEC. 14. ~~(a)~~ Participation in programs under this part  
5 shall be limited to young men and women who are permanent  
6 residents of the United States, who have attained age sixteen  
7 but have not attained age twenty-two, and whose participa-  
8 tion in such programs will be consistent with the purposes  
9 of this part.

10     ~~(b)~~ Enrollees shall be deemed not to be Federal em-  
11 ployees and shall not be subject to the provisions of laws  
12 relating to Federal employment, including those relating to  
13 hours of work, rates of compensation, leave, unemployment  
14 compensation, and Federal employee benefits.

15     ~~(c)~~ Where appropriate to carry out the purposes of this  
16 Act, the Director may provide for testing, counseling, job  
17 development, and referral services to youths through public  
18 agencies or private nonprofit organizations.

19                   LIMITATIONS ON FEDERAL ASSISTANCE

20     SEC. 115. Federal assistance to any program pursuant  
21 to this part paid for the period ending two years after the  
22 date of enactment of this Act, or June 30, 1966, whichever  
23 is later, shall not exceed 90 per centum of the costs of such  
24 program, including costs of administration, and such assist-  
25 ance paid for periods thereafter shall not exceed 75 per



1 centum of such costs, unless the Director determines, pur-  
2 suant to regulations adopted and promulgated by him estab-  
3 lishing objective criteria for such determinations, that assist-  
4 ance in excess of such percentages is required in furtherance  
5 of the purposes of this part. Non-Federal contributions may  
6 be in cash or in kind, fairly evaluated, including but not  
7 limited to plant, equipment, and services.

8           EQUITABLE DISTRIBUTION OF ASSISTANCE

9       SEC. 116. The Director shall establish criteria designed  
10 to achieve an equitable distribution of assistance under this  
11 part among the States. In developing such criteria, he shall  
12 consider among other relevant factors the ratios of popula-  
13 tion, unemployment, and family income levels. Not more  
14 than  $12\frac{1}{2}$  per centum of the sums appropriated or allocated  
15 for any fiscal year to carry out the purposes of this part shall  
16 be used within any one State.

17           PART C—WORK STUDY PROGRAMS

18                   STATEMENT OF PURPOSE

19       SEC. 121. The purpose of this part is to stimulate and  
20 promote the part-time employment of students in institutions  
21 of higher education who are from low-income families and  
22 are in need of the earnings from such employment to pursue  
23 courses of study at such institutions.

1        ~~AGREEMENTS FOR PAYMENT OF COMPENSATION~~

2        ~~SEC. 122.~~ The Director is authorized to enter into agree-  
3        ~~ments with institutions of higher education (as defined by~~  
4        ~~section 103 of the National Defense Education Act of 1958~~  
5        ~~(20 U.S.C. 403)) for payment by him of part of the com-~~  
6        ~~pensation of students employed under work-study programs~~  
7        ~~as hereinafter provided.~~

8                        ~~CONDITIONS OF AGREEMENTS~~

9        ~~SEC. 123.~~ An agreement entered into pursuant to sec-  
10        ~~tion 122 shall—~~

11                ~~(a)~~ provide for the operation by the institution of  
12        ~~a program for the part-time employment of its students~~  
13        ~~in work (1) for the institution itself, or (2) under~~  
14        ~~arrangements satisfactory to the Director, for public~~  
15        ~~agencies or private nonprofit organization whose activi-~~  
16        ~~ties contribute to the objectives of this Act: *Provided,*~~  
17        ~~*however,* That no such work shall involve the construc-~~  
18        ~~tion, operation, or maintenance of any facility used or~~  
19        ~~to be used for sectarian instruction or as a place for~~  
20        ~~religious worship.~~

21                ~~(b)~~ provide that employment under such work-  
22        ~~study program shall be furnished only to a student who~~  
23        ~~(1) is from a low-income family, (2) is in need of~~



1 the earnings from such employment in order to pursue  
2 a course of study at such institution; ~~(3)~~ is capable;  
3 in the opinion of the institution; of maintaining good  
4 standing in such course of study while employed under  
5 the program covered by the agreement; and ~~(4)~~ has  
6 been accepted for enrollment as a full-time student at  
7 the institution or; in the case of a student already en-  
8 rolled in and attending the institution; is in good stand-  
9 ing and in full-time attendance there either as an under-  
10 graduate, graduate, or professional student;

11 ~~(c)~~ provide that no student shall be employed un-  
12 der such work-study program for more than fifteen hours  
13 in any week in which classes in which he is enrolled  
14 are in session;

15 ~~(d)~~ provide that in each fiscal year during which  
16 the agreement remains in effect, the institution shall  
17 expend ~~(from sources other than payments by the Direc-~~  
18 ~~tor under this part)~~ for the employment of its students  
19 ~~(whether or not in employment eligible for assistance~~  
20 ~~under this part)~~ an amount that is not less than its  
21 average annual expenditure for such employment during  
22 the three fiscal years preceding the fiscal year in which  
23 the agreement is entered into;

24 ~~(e)~~ provide for payment by the Director of a por-  
25 tion of the compensation of each student employed under

1 such work-study program in accordance with the agree-  
2 ment, but not to exceed 90 per centum of such com-  
3 pensation for work performed during the period ending  
4 two years after the date of enactment of this Act, or  
5 June 30, 1966, whichever is later, and 75 per centum  
6 thereafter;

7 ~~(f)~~ provide, subject to section 124, that the institu-  
8 tion undertakes to act, if so requested by the Director,  
9 as his agent for the payment of the Director's share of  
10 the student's compensation;

11 ~~(g)~~ include provisions designed to make employ-  
12 ment under such work-study program, or equivalent  
13 employment offered or arranged for by the institution,  
14 reasonably available ~~(to the extent of available funds)~~  
15 to all eligible students in the institution in need thereof;  
16 and

17 ~~(h)~~ include such other provisions as the Director  
18 shall deem necessary or appropriate to carry out the  
19 purposes of this part.

20 PAYMENTS TO STUDENTS

21 SEC. 124. ~~(a)~~ The Director's share of the compensa-  
22 tion of a student employed under a work-study program cov-  
23 ered by an agreement under this part may be paid directly  
24 by him to the student; or it may be paid through the em-  
25 ploying institution as paying agent for the Director. If the



1 institution is utilized as paying agent, the Director's share  
2 may be paid to the institution in advance or by way of  
3 reimbursement, in accordance with regulations prescribed  
4 by the Director, and the Director may authorize the institu-  
5 tion to combine the Director's share and the remainder of  
6 the student's compensation in a single payment to the  
7 student.

8       ~~(b)~~ Regardless of the method of payment under this  
9 section, students employed under a work-study program  
10 covered by an agreement under this part shall be deemed not  
11 to be Federal employees and shall not be subject to the  
12 provisions of laws relating to Federal employment, includ-  
13 ing those relating to hours of work, rates of compensation,  
14 leave, unemployment compensation, and Federal employee  
15 benefits.

16       ~~(c)~~ Nothing in this part shall be construed as restricting  
17 the source ~~(other than this part)~~ from which the institution  
18 may pay its share of the compensation of a student em-  
19 ployed under a work-study program covered by an agree-  
20 ment under this part.

21                   EQUITABLE DISTRIBUTION OF ASSISTANCE

22       SEC. 125. The Director shall establish criteria designed  
23 to achieve an equitable distribution of assistance under this  
24 part among the States and among institutions of higher edu-  
25 cation within each State. In developing such criteria, he

1 shall consider among other relevant factors the ratios of full-  
 2 time students in institutions of higher education, unemploy-  
 3 ment, and family income levels. Not more than  $12\frac{1}{2}$  per  
 4 centum of the sums appropriated or allocated for any fiscal  
 5 year to carry out the purposes of this part shall be used within  
 6 any one State.

## 7 ~~TITLE II—URBAN AND RURAL COMMUNITY~~ 8 ~~ACTION PROGRAMS~~

### 9 ~~STATEMENT OF PURPOSE~~

10 SEC. 201. The purpose of this title is to provide stimula-  
 11 tion and incentive for urban and rural communities to  
 12 mobilize their resources, public and private, to combat pov-  
 13 erty through community action programs.

### 14 ~~COMMUNITY ACTION PROGRAMS~~

15 SEC. 202. (a) The term "community action program"  
 16 means a program—

17 (1) which mobilizes and utilizes, in an attack on  
 18 poverty, public and private resources of any urban or  
 19 rural, or combined urban and rural, geographical area  
 20 (referred to in this title as a "community"), including  
 21 but not limited to a State, metropolitan area, county,  
 22 city, town, multicity unit, or multicounty unit;

23 (2) which provides services, assistance, and other  
 24 activities of sufficient variety, scope, and size to give



1       promise of progress toward elimination of poverty  
2       through developing employment opportunities, improv-  
3       ing human performance, motivation, and productivity,  
4       and bettering the conditions under which people live,  
5       learn, and work;

6           (3) which is developed, conducted, and adminis-  
7       tered with the maximum feasible participation of resi-  
8       dents of the areas and members of the groups referred  
9       to in section 204(a); and

10          (4) which is conducted, administered, or co-  
11       ordinated by a public or private nonprofit agency (re-  
12       ferred to in this title as a "community action organiza-  
13       tion") which is broadly representative of the com-  
14       munity.

15       (b) The Director is authorized to prescribe such addi-  
16       tional criteria for community action programs as he shall  
17       deem appropriate.

18           FINANCIAL ASSISTANCE FOR DEVELOPMENT OF  
19           COMMUNITY ACTION PROGRAMS

20       SEC. 203. The Director is authorized to make grants to,  
21       or to contract with, community action organizations, or, if  
22       he deems it necessary to effectuate the purposes of this title,  
23       other appropriate public agencies or private nonprofit  
24       organizations, to pay part or all of the costs of development  
25       of community action programs.

1 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRA-  
2 TION OF COMMUNITY ACTION PROGRAMS

3 SEC. 204. (a) The Director is authorized to make grants  
4 to, or to contract with, community action organizations or  
5 other appropriate public agencies or private nonprofit organi-  
6 zations to pay part or all of the costs of community action  
7 programs which have been approved by him pursuant to  
8 this title, including the cost of carrying out programs which  
9 are components of a community action program and which  
10 are designed to achieve the purposes of this title. Such  
11 component programs shall be focused upon the needs of low-  
12 income individuals and families and shall provide, in particu-  
13 lar areas or to particular groups in a community, expanded  
14 and improved services, assistance, and other activities, and  
15 facilities necessary in connection therewith, in the fields of  
16 education, employment, job training and counseling, health,  
17 vocational rehabilitation, housing, home management, wel-  
18 fare, and other fields which fall within the purposes of  
19 this title.

20 (b) Any elementary or secondary school education  
21 program assisted under this section shall be administered by  
22 the public educational agency or agencies principally respon-  
23 sible for providing public elementary and secondary educa-  
24 tion in the area involved. No child shall be denied the



1 benefit of such a program because he is not regularly en-  
2 rolled in the public schools.

3       (c) Assistance under this section may be extended for a  
4 limited period, even though a community has not completed  
5 and put into effect its community action program, if the  
6 Director determines that there is a representative group en-  
7 gaged in developing such a program in the community, and  
8 that extension of such assistance will further the purposes of  
9 this title with respect to such community and will not impede  
10 the development and carrying out of a community action  
11 program. After June 30, 1965, expenditures under this sub-  
12 section in any fiscal year shall not exceed 20 per centum of  
13 the sums appropriated or allocated for such year to carry  
14 out the purposes of this title.

15       (d) In determining whether to extend assistance un-  
16 der this section the Director shall consider among other  
17 relevant factors the incidence of poverty within the com-  
18 munity and within the areas or groups to be affected by  
19 the specific program or programs, and the extent to which  
20 the applicant is in a position to utilize efficiently and expe-  
21 ditiously the assistance for which application is made. In  
22 determining the incidence of poverty the Director shall con-  
23 sider information available with respect to such factors as:  
24 the concentration of low-income families, particularly those  
25 with children; the extent of persistent unemployment and  
26 underemployment; the number and proportion of persons

receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(c) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities, to deal with their problems without further assistance.

#### TECHNICAL ASSISTANCE

SEC. 205. The Director is authorized to provide, either directly or through grants or other arrangements, (a) technical assistance to communities in developing, conducting, and administering community action programs, and (b) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

#### RESEARCH, TRAINING, AND DEMONSTRATIONS

SEC. 206. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private nonprofit organizations for the conduct of, research,



1 training, and demonstrations pertaining to the purposes of  
2 this title. Expenditures under this section in any fiscal year  
3 shall not exceed 15 per centum of the sums appropriated or  
4 allocated for such year to carry out the purposes of this title.

5                   LIMITATIONS ON FEDERAL ASSISTANCE

6       SEC. 207. (a) Assistance pursuant to sections 203 and  
7 204 paid for the period ending two years after the date of  
8 enactment of this Act, or June 30, 1966, whichever is later,  
9 shall not exceed 90 per centum of the costs referred to in  
10 those sections, respectively, and thereafter shall not exceed  
11 75 per centum of such costs, unless the Director determines,  
12 pursuant to regulations adopted and promulgated by him  
13 establishing objective criteria for such determinations, that  
14 assistance in excess of such percentages is required in fur-  
15 therance of the purposes of this title. Non-Federal con-  
16 tributions may be in cash or in kind, fairly evaluated, includ-  
17 ing but not limited to plant, equipment, and services.

18       (b) The expenditures or contributions made from non-  
19 Federal sources for a community action program or compo-  
20 nent thereof shall be in addition to the aggregate expendi-  
21 ture and contributions from non-Federal sources which were  
22 being made for similar purposes prior to the extension of  
23 Federal assistance.

## PARTICIPATION OF STATE AGENCIES

SEC. 208. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this title to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

## EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 209. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this title among the States and between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (a) low-income families, particularly those with children; (b) unemployed persons; (c) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (d) school dropouts; (e) adults with less than an eighth-grade education; and (f) persons rejected for military serv-



1   ice. Not more than  $12\frac{1}{2}$  per centum of the sums appro-  
 2   priated or allocated for any fiscal year to carry out the pur-  
 3   poses of this title shall be used for grants or contracts pur-  
 4   suant to sections 203 and 204 within any one State.

#### 5   PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

6       SEC. 210. In determining whether to extend assistance  
 7   under any other title of this Act, the Director shall, to the  
 8   extent feasible, give preference to programs and projects  
 9   which are components of a community action program ap-  
 10  proved pursuant to this title.

### 11   TITLE III—SPECIAL PROGRAMS TO COMBAT 12                   POVERTY IN RURAL AREAS

#### 13                   STATEMENT OF PURPOSE

14       SEC. 301. It is the purpose of this title to meet some  
 15   of the special problems of rural poverty and thereby to raise  
 16   and maintain the income and living standards of low-income  
 17   rural families.

#### 18                   AUTHORITY TO MAKE GRANTS AND LOANS

19       SEC. 302. (a) The Director is authorized to make—

20           (1) grants of not to exceed \$1,500 to low-income  
 21   rural families where, in the judgment of the Director,  
 22   such grants have a reasonable possibility of effecting a  
 23   permanent increase in the income of such families by  
 24   assisting or permitting them to—

25           (A) acquire or improve real estate or reduce  
 26   encumbrances or erect improvements thereon,

~~(B)~~ operate or improve the operation of farms  
not larger than family sized,

~~(C)~~ participate in cooperative associations, or

~~(D)~~ finance nonagricultural enterprises which  
will enable such families to supplement their in-  
come; and

~~(2)~~ loans to such families, having a maximum  
maturity of 15 years and in amounts not exceeding \$2,-  
500 in the aggregate to any family at any one time, for  
the purpose set forth in subparagraph ~~(a)~~ ~~(1)~~ ~~(D)~~ of  
this section.

~~(b)~~ Grants under this section shall be made only if  
the family is not qualified to obtain such funds by loan under  
other Federal programs: *Provided, however,* That nothing  
herein shall be construed to prevent the making of grants  
where appropriate in combination with or as supplements  
to loans made under this program or other Federal programs.

#### FAMILY FARM DEVELOPMENT CORPORATIONS

SEC. 303. ~~(a)~~ The Director is authorized to cooperate  
with, furnish technical assistance to, and otherwise assist in  
the organization of public or private nonprofit corporations  
having as their objective the improvement of the produc-  
tivity and income of low-income farmers. Such corpora-  
tions shall be eligible for assistance under this section if  
they are organized for the purpose of and have the power  
to acquire real property or any interest therein in rural



1 areas, to develop or reconstitute such real property into units  
2 not larger than family farms, including necessary fences,  
3 farm buildings, land and water development, and related  
4 facilities, and to sell the farms so developed or reconstituted  
5 to low-income farm families at prices equal to their appraised  
6 value when used for agricultural purposes and in a manner  
7 that the Director determines will further the purposes of this  
8 title.

9 (b) The Director may prescribe such rules and regula-  
10 tions regarding the organization, financial resources, opera-  
11 tions, and activities of such corporations as he deems appro-  
12 priate.

13 (c) The Director is authorized to purchase the obliga-  
14 tions of, or make loans to, such corporations upon such terms  
15 and conditions as he may determine subject to the limitations  
16 of sections 305 and 306.

17 (d) The Director is authorized to make grants to such  
18 corporations in amounts sufficient to make up the deficiency  
19 between the cost of the farms developed or reconstituted  
20 by them and the net proceeds received from the sale of such  
21 farms at the prices specified in subsection (a).

## 22 COOPERATIVE ASSOCIATIONS

23 SEC. 304. The Director is authorized to make loans to  
24 local cooperative associations furnishing essential production,  
25 processing, purchasing, or marketing services, supplies, or  
26 facilities predominantly to low-income rural families.

## LIMITATIONS ON ASSISTANCE

SEC. 305. No financial or other assistance shall be provided under this title unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this title; and

(b) in the case of assistance provided pursuant to sections 303 and 304, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

## LOAN TERMS AND CONDITIONS

SEC. 306. Loans made pursuant to sections 302, 303, and 304 (including obligations purchased pursuant to section 303) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on



1 outstanding Treasury obligations of comparable maturity,  
2 plus ~~(2)~~ such additional charge, if any, toward covering  
3 other costs of the program as the Director may determine  
4 to be consistent with its purposes; and

5           ~~(e)~~ with respect to loans made pursuant to sections  
6           ~~303 and 304~~, the loan is repayable within not more than  
7           ~~thirty years~~.

8      TITLE IV—EMPLOYMENT AND INVESTMENT  
9                          INCENTIVES

10 STATEMENT OF PURPOSE

11        SEC. 401. It is the purpose of this title to provide new  
12 training and employment opportunities for long-term unem-  
13 ployed persons; to assist in the establishment, preservation,  
14 and strengthening of small business concerns and improve the  
15 managerial skills employed in such enterprises; and to mobi-  
16 lize for these objectives private as well as public managerial  
17 skills and resources.

18 PART A—INCENTIVES FOR EMPLOYMENT OF LONG-TERM  
19 UNEMPLOYED PERSONS

20                      LOANS, PARTICIPATIONS, AND GUARANTIES

21        SEC. 411. (a) The Director is authorized to make, partici-  
22        cipate ~~(on an immediate basis)~~ in, or guarantee loans to  
23        private borrowers, repayable in not more than twenty-five  
24        years, when he determines that such financial assistance will  
25        result in stable employment for persons not already employed

1 by the borrower, a majority of whom will be recruited from  
2 among the long-term unemployed and members of low-  
3 income families.

4 (b) The amount of any loan, participation, or guaranty  
5 made hereunder shall not exceed an amount equal to \$10,-  
6 000 multiplied by the number of persons to be employed by  
7 the borrower as a result of the financial assistance.

8 LIMITATIONS ON FINANCIAL ASSISTANCE

9 SEC. 412. No financial assistance shall be extended pur-  
10 suant to this part unless—

11 (a) the Director determines that the assistance will  
12 not be used in relocating establishments from one area  
13 to another; and

14 (b) the assistance is extended in accordance with  
15 and as part of a community action program approved  
16 pursuant to title II of this Act.

17 PROVISION FOR LOSSES ON GUARANTIES

18 SEC. 413. The Director shall make a reasonable pro-  
19 vision for possible losses with respect to guaranties under this  
20 part, but such provision shall be not less than 15 per  
21 centum of the guaranties in force at any time. The amounts  
22 so provided and set aside within appropriations shall be con-  
23 sidered to constitute obligations for purposes of section 1311  
24 of the Supplemental Appropriation Act, 1955 (31 U.S.C.  
25 200).



## LOAN TERMS AND CONDITIONS

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SEC. 414. Loans made pursuant to section 411 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not

1 exceed the rate currently applicable to new loans made  
2 under section 6 of that Act (42 U.S.C. 2505); and

3 (e) fees not in excess of amounts necessary to cover  
4 administrative expenses and probable losses may be re-  
5 quired on loan guaranties.

6 PART B—SMALL BUSINESS LOANS

7 LOANS, PARTICIPATIONS, AND GUARANTIES

8 SEC. 421. The Director is authorized to make, partici-  
9 pate (on an immediate basis) in, or guarantee loans, repay-  
10 able in not more than fifteen years, to any small business  
11 concern (as defined in section 3 of the Small Business Act  
12 (15 U.S.C. 632) and regulations issued thereunder), or to  
13 any qualified person seeking to establish such a concern,  
14 when he determines that such loans will assist in carrying  
15 out the purposes of this title: *Provided, however,* That no  
16 such loans shall be made, participated in, or guaranteed if  
17 the total of such Federal assistance to a single borrower out-  
18 standing at any one time would exceed \$15,000. The  
19 Director may defer payments on the principal of such loans  
20 for a grace period and use such other methods as he deems  
21 necessary and appropriate to assure the successful establish-  
22 ment and operation of such concern. The Director may, in  
23 his discretion, as a condition of such financial assistance, re-  
24 quire that the borrower take steps to improve his manage-



1 ment skills by participating in a management training pro-  
 2 gram approved by the Director. The Director shall en-  
 3 courage, as far as possible, the participation of the private  
 4 business community in the program of assistance to such  
 5 concerns.

#### 6 COORDINATION WITH COMMUNITY ACTION PROGRAMS

7 SEC. 422. No financial assistance shall be provided under  
 8 section 421 in any community for which the Director has  
 9 approved a community action program pursuant to title II  
 10 of this Act unless such financial assistance is determined by  
 11 him to be consistent with such program.

#### 12 FINANCING UNDER SMALL BUSINESS ACT

13 SEC. 423. Such lending and guaranty functions under  
 14 this part as may be delegated to the Small Business Admin-  
 15 istration may be financed with funds appropriated to the  
 16 revolving fund established by section 4(e) of the Small  
 17 Business Act (15 U.S.C. 633(e)) for the purposes of sections  
 18 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636  
 19 (b), 637(a)).

#### 20 LOAN TERMS AND CONDITIONS

21 SEC. 424. Loans made pursuant to section 421 (includ-  
 22 ing immediate participations in and guaranties of such loans)  
 23 shall have such terms and conditions as the Director shall  
 24 determine, subject to the limitations set forth in paragraphs  
 25 (a) through (c) of section 414.

## TITLE V—FAMILY UNITY THROUGH JOBS

### STATEMENT OF PURPOSE

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training or basic education available to persons who are unable to support or care for their families.

### PAYMENTS FOR EXPERIMENTAL, PILOT, AND DEMONSTRATION PROJECTS

SEC. 502. In order to stimulate the adoption by States of programs designed to help unemployed fathers and other members of needy families with children to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.



1                    ~~TITLE VI—ADMINISTRATION AND~~  
2                    ~~COORDINATION~~

3 ~~PART A ADMINISTRATION~~

## 4 OFFICE OF ECONOMIC OPPORTUNITY

5        SEC. 601. (a) There is hereby established in the Execu-  
6        tive Office of the President the Office of Economic Oppor-  
7        tunity. The Office shall be headed by a Director who shall  
8        be appointed by the President, by and with the advice and  
9        consent of the Senate. There shall also be in the Office four  
10       Deputy Directors who shall be appointed by the President,  
11       by and with the advice and consent of the Senate. The  
12       Deputy Directors shall perform such functions as the Direc-  
13       tor may from time to time prescribe.

14       (b) Notwithstanding the provisions of section 5(b) of  
15 the Reorganization Act of 1949 (~~5 U.S.C. 133z-3(b)~~),  
16 at any time after one year from the date of enactment hereof  
17 the President may, by complying with the procedures estab-  
18 lished by that Act, provide for the transfer of the Office from  
19 the Executive Office of the President and for its establish-  
20 ment elsewhere in the executive branch as he deems  
21 appropriate.

(e) Section 103(a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2202(a)) is amended by adding the following clause thereto:

1           “~~(6)~~ Director of the Office of Economic Oppor-  
2           tunity.”

3           ~~(d)~~ Section 105 of the Federal Executive Pay Act of  
4 1956 ~~(5 U.S.C. 2204)~~ is amended by adding the following  
5 clause thereto:

6           “~~(32)~~ Deputy Director of the Office of Economic  
7           Opportunity.”

8           ~~(e)~~ Section 106(a) of the Federal Executive Pay Act  
9 of 1956 ~~(5 U.S.C. 2205(a))~~ is amended by adding the  
10 following clause thereto:

11           “~~(52)~~ Deputy Directors of the Office of Economic  
12           Opportunity ~~(3)~~.”

### 13                           AUTHORITY OF DIRECTOR

14           SEC. 602. In addition to the authority conferred upon  
15 him by other sections of this Act, the Director is authorized,  
16 in carrying out his functions under this Act, to—

17           ~~(a)~~ appoint in accordance with the civil service  
18 laws such personnel as may be necessary to enable the  
19 Office to carry out its functions, and, except as otherwise  
20 provided herein, fix their compensation in accordance  
21 with the Classification Act of 1949 ~~(5 U.S.C. 1071~~  
22 ~~et seq.)~~;

23           ~~(b)~~ employ experts and consultants or organiza-  
24 tions thereof as authorized by section 15 of the Act of



1     August 2, 1946 (~~5 U.S.C. 55a~~), compensate individuals  
2     so employed at rates not in excess of \$100 per diem,  
3     including travel time, and allow them, while away from  
4     their homes or regular places of business, travel ex-  
5     penses (~~including per diem in lieu of subsistence~~) as  
6     authorized by law (~~5 U.S.C. 73-2~~) for persons in  
7     the Government service employed intermittently, while  
8     so employed: *Provided, however,* That contracts for  
9     such employment may be renewed annually;

10         ~~(c)~~ appoint, without regard to the civil service  
11     laws, one or more advisory committees composed of  
12     such private citizens and officials of the Federal, State,  
13     and local governments as he deems desirable to advise  
14     him with respect to his functions under this Act; and  
15     members of such committee (~~including the National~~  
16     Advisory Council established in section 605), other  
17     than those regularly employed by the Federal Govern-  
18     ment, while attending meetings of such committees or  
19     otherwise serving at the request of the Director, shall  
20     be entitled to receive compensation and travel expenses  
21     as provided in subsection ~~(b)~~ with respect to experts  
22     and consultants;

23         ~~(d)~~ with the approval of the President, arrange  
24     with and reimburse the heads of other Federal agencies  
25     for the performance of any of his functions under this

1     Act and, as necessary or appropriate, delegate any of his  
2     powers under this Act and authorize the redelegation  
3     thereof;

4         ~~(c)~~ utilize, with their consent, the services and fa-  
5     cilities of Federal agencies without reimbursement, and,  
6     with the consent of any State or a political subdivision  
7     of a State, accept and utilize the services and facilities  
8     of the agencies of such State or subdivision without  
9     reimbursement;

10        ~~(f)~~ accept in the name of the Office, and employ  
11     or dispose of in furtherance of the purposes of this Act,  
12     or of any title thereof, any money or property, real,  
13     personal, or mixed, tangible or intangible, received by  
14     gift, devise, bequest, or otherwise;

15        ~~(g)~~ accept voluntary and uncompensated services,  
16     notwithstanding the provisions of section 3679(b) of  
17     the Revised Statutes (31 U.S.C. 665(b));

18        ~~(h)~~ allocate and expand, or transfer to other Fed-  
19     eral agencies for expenditure, funds made available under  
20     this Act as he deems necessary to carry out the pro-  
21     visions hereof, including ~~(without regard to the provi-~~  
22     sions of section 4774(d) of title 10, United States Code)  
23     expenditures for construction, repairs, and capital  
24     improvements;

25        ~~(i)~~ disseminate, without regard to the provisions



1 of section 321n of title 39, United States Code, data  
2 and information, in such form as he shall deem appro-  
3 priate, to public agencies, private organizations, and the  
4 general public;

5 (j) adopt an official seal, which shall be judicially  
6 noticed;

7 (k) notwithstanding any other provision of law  
8 relating to the acquisition, handling, or disposal of real  
9 or personal property by the United States, deal with,  
10 complete, rent, renovate, modernize, or sell for cash or  
11 credit at his discretion any properties acquired by him in  
12 connection with loans, participations, and guaranties  
13 made by him pursuant to titles III and IV of this Act;

14 (l) collect or compromise all obligations to or held  
15 by him and all legal or equitable rights accruing to him  
16 in connection with the payment of obligations until such  
17 time as such obligations may be referred to the Attorney  
18 General for suit or collection; and

19 (m) establish such policies, standards, criteria, and  
20 procedures, prescribe such rules and regulations, enter  
21 into such contracts and agreements with public agencies  
22 and private organizations and persons, make such pay-  
23 ments (in lump sum or installments, and in advance or  
24 by way of reimbursement, and in the case of grants,  
25 with necessary adjustments on account of overpayments  
26 or underpayments), and generally perform such func-

tions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

#### VOLUNTEERS FOR AMERICA

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request, refer volunteers to perform duties in furtherance of programs of assistance at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health and education needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill and mentally retarded under treatment at nonprofit mental health and mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of federally operated programs or activities authorized by titles I and II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to



1 duties or work in any State without the consent of the  
2 Governor.

3       (c) The Director is authorized to provide to all volun-  
4 teers during training and to volunteers assigned pursuant to  
5 subsection (a)-(2) such stipend, not to exceed \$50 per  
6 month, such living, travel, and leave allowances, and such  
7 housing, transportation (including travel to and from the  
8 place of training), supplies, equipment, subsistence, cloth-  
9 ing, and health and dental care as the Director may deem  
10 necessary or appropriate for their needs.

11       (d) Volunteers shall be deemed not to be Federal em-  
12 ployees and shall not be subject to the provisions of laws  
13 relating to Federal employment, including those relating to  
14 hours of work, rates of compensation, leave, unemployment  
15 compensation, and Federal employee benefits, except that  
16 all volunteers during training and such volunteers as are  
17 assigned pursuant to subsection (a)-(2) shall be deemed  
18 Federal employees to the same extent as enrollees of the  
19 Corps under section 107 (b), (c), and (d) of this Act.

20                               ECONOMIC OPPORTUNITY COUNCIL

21       SEC. 604. (a) There is hereby established an Economic  
22 Opportunity Council, which shall consult with and advise the  
23 Director in carrying out his functions, including the coordina-  
24 tion of antipoverty efforts by all segments of the Federal  
25 Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### NATIONAL ADVISORY COUNCIL

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### REVOLVING FUND

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act,



1 there is authorized to be established a revolving fund. The  
2 capital of the fund shall consist of such amounts as may be  
3 advanced to it by the Director from funds appropriated pur-  
4 suant to section 701 and shall remain available until ex-  
5 pended.

6 (b) The Director shall pay into miscellaneous receipts  
7 of the Treasury, at the close of each fiscal year, interest on  
8 the capital of the fund at a rate determined by the Secretary  
9 of the Treasury, taking into consideration the average market  
10 yield on outstanding Treasury obligations of comparable  
11 maturity during the last month of the preceding fiscal year.  
12 Interest payments may be deferred with the approval of the  
13 Secretary of the Treasury, but any interest payments so  
14 deferred shall themselves bear interest.

15 (c) Whenever any capital in the fund is determined by  
16 the Director to be in excess of current needs, such capital  
17 shall be credited to the appropriation from which advanced,  
18 where it shall be held for future advances.

19 (d) Receipts from any lending and guaranty operations  
20 under this Act (except operations under part B of title IV  
21 carried on by the Small Business Administration) shall be  
22 credited to the fund. The fund shall be available for the  
23 payment of all expenditures of the Director for loans, par-  
24 ticipations, and guaranties authorized under titles III and  
25 IV of this Act.

## REPORTS

SEC. 607. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

## DEFINITIONS

SEC. 608. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, America Samoa, or the Virgin Islands, and the term "United States," when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency," unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

## PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

## COORDINATION

SEC. 611. In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner:

(a) the Director is authorized to call upon other Federal agencies to supply such statistical data, program



1 reports, and other materials as he deems necessary to  
2 discharge his responsibilities under this Act, and to  
3 assist the President in coordinating the antipoverty  
4 efforts of all Federal agencies;

5 ~~(b)~~ Federal agencies which are engaged in admin-  
6 istering programs related to the purposes of this Act,  
7 or which otherwise perform functions relating thereto,  
8 shall—

9 ~~(1)~~ cooperate with the Director in carrying  
10 out his duties and responsibilities under this Act,  
11 and

12 ~~(2)~~ carry out their programs and exercise  
13 their functions in such manner as will, to the maxi-  
14 mum extent permitted by other applicable law,  
15 assist in carrying out the purposes of this Act; and

16 ~~(c)~~ the President may direct that particular pro-  
17 grams and functions, including the expenditure of funds,  
18 of the Federal agencies referred to in subsection ~~(b)~~  
19 shall be carried out, to the extent not inconsistent with  
20 other applicable law, in conjunction with or in support  
21 of programs authorized under this Act.

22 PREFERENCE TO COMMUNITY ACTION PROGRAMS

23 SEC. 612. To the extent feasible and consistent with  
24 the provisions of law governing any Federal program and  
25 with the purposes of this Act, the head of each Federal

1 agency administering any Federal program is directed to  
2 give preference to any application for assistance or benefits  
3 which is made pursuant to or in connection with a com-  
4 munity action program approved pursuant to title II of  
5 this Act.

#### 6 INFORMATION CENTER

7 SEC. 613. In order to insure that all Federal programs  
8 related to the purposes of this Act are utilized to the maxi-  
9 mum extent possible, and to insure that information con-  
10 cerning such programs and other relevant information is  
11 readily available in one place to public officials and other  
12 interested persons, the Director is authorized as he deems  
13 appropriate to collect, prepare, analyze, correlate, and dis-  
14 tribute such information, either free of charge or by sale at  
15 cost (any funds so received to be deposited to the Direc-  
16 tor's account as an offset to such cost), and make arrange-  
17 ments and pay for any printing and binding without regard  
18 to the provisions of any other law or regulation.

#### 19 TITLE VII—AUTHORIZATION OF 20 APPROPRIATIONS

21 SEC. 701. For the purpose of carrying out the provisions  
22 of this Act, there are hereby authorized to be appropriated  
23 to the Director for the fiscal year ending June 30, 1965,  
24 the sum of \$962,500,000, and thereafter such sums as are  
25 necessary to carry out this Act, to be available until expended.



1 *That this Act may be cited as the "Economic Opportunity*  
2 *Act of 1964".*

3 *FINDINGS AND DECLARATION OF PURPOSE*

4 *SEC. 2. Although the economic well-being and prosperity*  
5 *of the United States have progressed to a level surpassing*  
6 *any achieved in world history, and although these benefits*  
7 *are widely shared throughout the Nation, poverty continues*  
8 *to be the lot of a substantial number of our people. The*  
9 *United States can achieve its full economic and social poten-*  
10 *tial as a nation only if every individual has the opportunity*  
11 *to contribute to the full extent of his capabilities and to par-*  
12 *ticipate in the workings of our society. It is, therefore, the*  
13 *policy of the United States to eliminate the paradox of*  
14 *poverty in the midst of plenty in this Nation by opening to*  
15 *everyone the opportunity for education and training, the*  
16 *opportunity to work, and the opportunity to live in decency*  
17 *and dignity. It is the purpose of this Act to strengthen, sup-*  
18 *plement, and coordinate efforts in furtherance of that policy.*

19 *TITLE I—YOUTH PROGRAMS*

20 *PART A—JOB CORPS*

21 *STATEMENT OF PURPOSE*

22 *SEC. 101. The purpose of this part is to prepare for the*  
23 *responsibilities of citizenship and to increase the employa-*  
24 *bility of young men and young women aged sixteen through*  
25 *twenty-one by providing them in rural and urban residential*

1 *centers with education, vocational training, useful work ex-*  
2 *perience, including work directed toward the conservation of*  
3 *natural resources, and other appropriate activities.*

4 *ESTABLISHMENT OF JOB CORPS*

5 *SEC. 102. In order to carry out the purposes of this*  
6 *part, there is hereby established within the Office of Eco-*  
7 *nomic Opportunity (hereinafter referred to as the "Office"),*  
8 *established by title VI, a Job Corps (hereinafter referred to*  
9 *as the "Corps").*

10 *JOB CORPS PROGRAM*

11 *SEC. 103. The Director of the Office (hereinafter*  
12 *referred to as the "Director") is authorized to—*

13 *(a) enter into agreements with any Federal, State,*  
14 *or local agency or private organization for the establish-*  
15 *ment and operation, in rural and urban areas, of con-*  
16 *servation camps and training centers and for the pro-*  
17 *vision of such facilities and services as in his judgment*  
18 *are needed to carry out the purposes of this part, includ-*  
19 *ing but not limited to agreements with agencies charged*  
20 *with the responsibility of conserving, developing, and*  
21 *managing the public natural resources of the Nation*  
22 *and of developing, managing, and protecting public*  
23 *recreational areas, whereby the enrollees of the Corps*  
24 *may be utilized by such agencies in carrying out, under*  
25 *the immediate supervision of such agencies, programs*



1     *planned and designed by such agencies to fulfill such*  
2     *responsibility, and including agreements for a botanical*  
3     *survey program involving surveys and maps of existing*  
4     *vegetation and investigations of the plants, soils, and*  
5     *environments of natural and disturbed plant commun-*  
6     *ities;*

7             *(b) arrange for the provision of education and*  
8     *vocational training of enrollees in the Corps: Provided,*  
9     *That, where practicable, such programs may be pro-*  
10    *vided through local public educational agencies or by*  
11    *private vocational educational institutions or technical*  
12    *institutes where such institutions or institutes can pro-*  
13    *vide substantially equivalent training with reduced Fed-*  
14    *eral expenditures;*

15            *(c) provide or arrange for the provision of pro-*  
16    *grams of useful work experience and other appropriate*  
17    *activities for enrollees;*

18            *(d) establish standards of safety and health for*  
19    *enrollees, and furnish or arrange for the furnishing of*  
20    *health services; and*

21            *(e) prescribe such rules and regulations and make*  
22    *such arrangements as he deems necessary to provide*  
23    *for the selection of enrollees and to govern their conduct*  
24    *after enrollment, including appropriate regulations as*  
25    *to the circumstances under which enrollment may be*  
26    *terminated.*

## COMPOSITION OF THE CORPS

1  
2       *SEC. 104. (a) The Corps shall be composed of young*  
3 *men and young women who are permanent residents of the*  
4 *United States, who have attained age sixteen but have not*  
5 *attained age twenty-two at the time of enrollment, and*  
6 *who meet the standards for enrollment prescribed by the*  
7 *Director. Participation in the Corps shall not relieve any*  
8 *enrollee of obligations under the Universal Military Training*  
9 *and Service Act (50 U.S.C. App. 451 et seq.). Only in*  
10 *exceptional cases shall enrollees in the Corps be graduates*  
11 *of an accredited high school, and no person shall be ac-*  
12 *cepted for enrollment in the Corps unless the local school*  
13 *authorities have concluded that further school attendance*  
14 *by such person in any regular academic, vocational, or train-*  
15 *ing program, is not practicable.*

16       *(b) In order to enroll as a member of the Corps, an*  
17 *individual must agree to comply with rules and regulations*  
18 *promulgated by the Director for the government of the*  
19 *Corps.*

20       *(c) The total enrollment of any individual in the Corps*  
21 *shall not exceed two years except as the Director may deter-*  
22 *mine in special cases.*

## ALLOWANCE AND MAINTENANCE

24       *SEC. 105. (a) Enrollees may be provided with such*  
25 *living, travel, and leave allowances, and such quarters, sub-*



1 sistence, transportation, equipment, clothing, recreational  
2 services, medical, dental, hospital, and other health services,  
3 and other expenses as the Director may deem necessary or  
4 appropriate for their needs. Transportation and travel al-  
5 lowances may also be provided, in such circumstances as the  
6 Director may determine, for applicants for enrollment to or  
7 from places of enrollment, and for former enrollees from  
8 places of termination to their homes.

9       (b) Upon termination of his or her enrollment in the  
10 Corps, each enrollee shall be entitled to receive a readjust-  
11 ment allowance at a rate not to exceed \$50 for each month  
12 of satisfactory participation therein as determined by the  
13 Director: Provided, however, That under such circumstances  
14 as the Director may determine a portion of the readjust-  
15 ment allowance of an enrollee not exceeding \$25 for each  
16 month of satisfactory service may be paid during the period  
17 of service of the enrollee directly to a member of his or her  
18 family (as defined in section 609(c)) and any sum so paid  
19 shall be supplemented by the payment of an equal amount  
20 by the Director. In the event of the enrollee's death during  
21 the period of his or her service, the amount of any unpaid  
22 readjustment allowance shall be paid in accordance with the  
23 provisions of section 1 of the Act of August 3, 1950 (5  
24 U.S.C. 61f).

1        *APPLICATION OF PROVISIONS OF FEDERAL LAW*

2        *SEC. 106. (a) Except as otherwise specifically provided*  
3 *in this part, an enrollee shall be deemed not to be a Federal*  
4 *employee and shall not be subject to the provisions of laws*  
5 *relating to Federal employment, including those relating to*  
6 *hours of work, rates of compensation, leave, unemployment*  
7 *compensation, and Federal employee benefits.*

8        *(b) Enrollees shall be deemed to be employees of the*  
9 *United States for the purposes of the Internal Revenue Code*  
10 *of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social*  
11 *Security Act (42 U.S.C. 401 et seq.), and any service per-*  
12 *formed by an individual as an enrollee shall be deemed for*  
13 *such purposes to be performed in the employ of the United*  
14 *States.*

15        *(c)(1) Enrollees under this part shall, for the purposes*  
16 *of the administration of the Federal Employees' Compensa-*  
17 *tion Act (5 U.S.C. 751 et seq.), be deemed to be civil*  
18 *employees of the United States within the meaning of the*  
19 *term "employee" as defined in section 40 of such Act (5*  
20 *U.S.C. 790) and the provisions thereof shall apply except as*  
21 *hereinafter provided.*

22        *(2) For purposes of this subsection:*

23        *(A) The term "performance of duty" in the Federal*



1 *Employees' Compensation Act shall not include any act*  
2 *of an enrollee—*

3       (i) *while on authorized leave or pass; or*

4       (ii) *while absent from his or her assigned post*  
5 *of duty, except while participating in an activity author-*  
6 *ized by or under the direction or supervision of the*  
7 *Corps.*

8       (B) *In computing compensation benefits for disability*  
9 *or death under the Federal Employees' Compensation Act,*  
10 *the monthly pay of an enrollee shall be deemed to be \$150,*  
11 *except that with respect to compensation for disability ac-*  
12 *cruing after the individual concerned reaches the age of*  
13 *twenty-one, such monthly pay shall be deemed to be that*  
14 *received under the entrance salary for GS-2 under the*  
15 *Classification Act of 1949 (5 U.S.C. 1071 et seq.), and*  
16 *section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1))*  
17 *shall apply to enrollees.*

18       (C) *Compensation for disability shall not begin to ac-*  
19 *cruer until the day following the date on which the enrollment*  
20 *of the injured enrollee is terminated.*

21       (d) *An enrollee shall be deemed to be an employee of*  
22 *the Government for the purposes of the Federal tort claims*  
23 *provisions of title 28, United States Code.*

24       (e) *Personnel of the uniformed services who are de-*  
25 *tailed or assigned to duty in the performance of agreements*

1 *made by the Director for the support of the Corps shall not*  
2 *be counted in computing strengths under any law limiting*  
3 *the strength of such services or in computing the percentage*  
4 *authorized by law for any grade therein.*

5 *STATE-OPERATED YOUTH CAMPS*

6 *SEC. 107. The Director is authorized to enter into agree-*  
7 *ments with States to assist in the operation or administration*  
8 *of State-operated programs which carry out the purpose of*  
9 *this part. The Director may, pursuant to such regulations*  
10 *as he may adopt, pay part or all of the operative or adminis-*  
11 *trative costs of such programs.*

12 *PART B—WORK-TRAINING PROGRAMS*

13 *STATEMENT OF PURPOSE*

14 *SEC. 111. The purpose of this part is to provide useful*  
15 *work experience opportunities for unemployed young men*  
16 *and young women, through participation in State and com-*  
17 *munity work-training programs, so that their employability*  
18 *may be increased or their education resumed or continued*  
19 *and so that public agencies and private nonprofit organiza-*  
20 *tions will be enabled to carry out programs which will permit*  
21 *or contribute to an undertaking or service in the public in-*  
22 *terest that would not otherwise be provided, or will con-*  
23 *tribute to the conservation and development of natural re-*  
24 *sources and recreational areas.*



# 1 DEVELOPMENT OF PROGRAMS

2        *SEC. 112. In order to carry out the purposes of this*  
3 *part, the Director shall assist and cooperate with State and*  
4 *local agencies and private nonprofit organizations in devel-*  
5 *oping programs for the employment of young people in State*  
6 *and community activities hereinafter authorized, which,*  
7 *whenever appropriate, shall be coordinated with programs*  
8 *of training and education provided by local public educa-*  
9 *tional agencies.*

10 *FINANCIAL ASSISTANCE*

11        *SEC. 113. (a) The Director is authorized to enter into*  
12        *agreements providing for the payment by him of part or all*  
13        *of the cost of a State or local program submitted hereunder*  
14        *if he determines, in accordance with such regulations as he*  
15        *may prescribe, that—*

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications

1        *in which the Director finds there is a reasonable expect-*  
2        *tation of employment, or will enable student enrollees to*  
3        *resume or to maintain school attendance;*

4            *(3) the program will permit or contribute to an*  
5        *undertaking or service in the public interest that would*  
6        *not otherwise be provided, or will contribute to the con-*  
7        *servation, development, or management of the natural*  
8        *resources of the State or community or to the develop-*  
9        *ment, management, or protection of State or community*  
10       *recreational areas;*

11           *(4) the program will not result in the displacement*  
12       *of employed workers or impair existing contracts for*  
13       *services;*

14           *(5) the rates of pay and other conditions of em-*  
15       *ployment will be appropriate and reasonable in the*  
16       *light of such factors as the type of work performed,*  
17       *geographical region, and proficiency of the employee;*

18           *(6) to the maximum extent feasible, the program*  
19       *will be coordinated with vocational training and educa-*  
20       *tional services adapted to the special needs of enrollees*  
21       *in such program and sponsored by State or local public*  
22       *educational agencies: Provided, however, That where*  
23       *such services are inadequate or unavailable, the program*  
24       *may make provision for the enlargement, improvement,*  
25       *development, and coordination of such services with the*



1       *cooperation of, or where appropriate pursuant to agree-*  
2       *ment with, the Secretary of Health, Education, and Wel-*  
3       *fare; and*

4               *(7) the program includes standards and procedures*  
5       *for the selection of applicants, including provisions assur-*  
6       *ing full coordination and cooperation with local and other*  
7       *authorities to encourage students to resume or maintain*  
8       *school attendance.*

9       *(b) In approving projects under this part, the Director*  
10      *shall give priority to projects with high training potential.*

11                               *ENROLLEES IN PROGRAM*

12       *SEC. 114. (a) Participation in programs under this part*  
13      *shall be limited to young men and women who are perma-*  
14      *nent residents of the United States, who have attained age*  
15      *sixteen but have not attained age twenty-two, and whose*  
16      *participation in such programs will be consistent with the*  
17      *purposes of this part.*

18       *(b) Enrollees shall be deemed not to be Federal em-*  
19      *ployees and shall not be subject to the provisions of laws*  
20      *relating to Federal employment, including those relating to*  
21      *hours of work, rates of compensation, leave, unemployment*  
22      *compensation, and Federal employee benefits.*

23       *(c) Where appropriate to carry out the purposes of this*

1 *Act, the Director may provide for testing, counseling, job*  
2 *development, and referral services to youths through public*  
3 *agencies or private nonprofit organizations.*

4 *LIMITATIONS ON FEDERAL ASSISTANCE*

5 *SEC. 115. Federal assistance to any program pursuant*  
6 *to this part paid for the period ending two years after the date*  
7 *of enactment of this Act, or June 30, 1966, whichever is*  
8 *later, shall not exceed 90 per centum of the costs of such*  
9 *program, including costs of administration, and such assist-*  
10 *ance paid for periods thereafter shall not exceed 50 per*  
11 *centum of such costs, unless the Director determines, pursuant*  
12 *to regulations adopted and promulgated by him establishing*  
13 *objective criteria for such determinations, that assistance in*  
14 *excess of such percentages is required in furtherance of the*  
15 *purposes of this part. Non-Federal contributions may be in*  
16 *cash or in kind, fairly evaluated, including but not limited to*  
17 *plant, equipment, and services.*

18 *EQUITABLE DISTRIBUTION OF ASSISTANCE*

19 *SEC. 116. The Director shall establish criteria designed*  
20 *to achieve an equitable distribution of assistance under this*  
21 *part among the States. In developing such criteria, he shall*  
22 *consider among other relevant factors the ratios of popula-*  
23 *tion, unemployment, and family income levels. Not more*



1 *than 12½ per centum of the sums appropriated or allocated*  
 2 *for any fiscal year to carry out the purposes of this part shall*  
 3 *be used within any one State.*

#### 4 *PART C—WORK-STUDY PROGRAMS*

##### 5 *STATEMENT OF PURPOSE*

6 *SEC. 121. The purpose of this part is to stimulate and*  
 7 *promote the part-time employment of students in institutions*  
 8 *of higher education who are from low-income families and*  
 9 *are in need of the earnings from such employment to pursue*  
 10 *courses of study at such institutions.*

##### 11 *ALLOTMENTS TO STATES*

12 *SEC. 122. (a) From the sums appropriated to carry*  
 13 *out this title for a fiscal year, the Director shall reserve the*  
 14 *amount needed for making grants under section 123. Not*  
 15 *to exceed 2 per centum of the amount so reserved shall be*  
 16 *allotted by the Director among Puerto Rico, Guam, Ameri-*  
 17 *can Samoa, and the Virgin Islands according to their respec-*  
 18 *tive needs for assistance under this part. The remainder*  
 19 *of the sums so reserved shall be allotted among the States*  
 20 *as provided in subsection (b).*

21 *(b) Of the sums being allotted under this subsection—*

22 *(1) one-third shall be allotted by the Director*  
 23 *among the States so that the allotment to each State un-*  
 24 *der this clause will be an amount which bears the same*  
 25 *ratio to such one-third as the number of persons en-*

1     *rolled on a full-time basis in institutions of higher educa-*  
2     *tion in such State bears to the total number of persons*  
3     *enrolled on a full-time basis in institutions of higher*  
4     *education in all the States,*

5             *(2) one-third shall be allotted by the Director*  
6     *among the States so that the allotment to each State*  
7     *under this clause will be an amount which bears the*  
8     *same ratio to such one-third as the number of high school*  
9     *graduates (as defined in section 103(d)(3) of the*  
10    *Higher Education Facilities Act of 1963) of such*  
11    *State bears to the total number of such high school*  
12    *graduates of all the States, and*

13            *(3) one-third shall be allotted by him among the*  
14    *States so that the allotment to each State under this*  
15    *clause will be an amount which bears the same ratio to*  
16    *such one-third as the number of related children under*  
17    *eighteen years of age living in families with annual*  
18    *incomes of less than \$3,000 in such State bears to the*  
19    *number of related children under eighteen years of age*  
20    *living in families with annual incomes of less than*  
21    *\$3,000 in all the States.*

22            *(c) The amount of any State's allotment which has not*  
23    *been granted to an institution of higher education under*  
24    *section 123 at the end of the fiscal year for which appro-*  
25    *priated shall be reallocated by the Director, in such manner as*



1 *he determines will best assist in achieving the purposes of*  
 2 *this Act. Amounts reallocated under this subsection shall be*  
 3 *available for making grants under section 123 until the close*  
 4 *of the fiscal year next succeeding the fiscal year for which*  
 5 *appropriated.*

6 *(d) For purposes of this section, the term "State" does*  
 7 *not include Puerto Rico, Guam, American Samoa, and the*  
 8 *Virgin Islands.*

9 *GRANTS FOR WORK-STUDY PROGRAMS*

10 *SEC. 123. The Director is authorized to enter into*  
 11 *agreements with institutions of higher education (as defined*  
 12 *by section 401(f) of the Higher Education Facilities Act of*  
 13 *1963 (P.L. 88-204)) under which the Director will make*  
 14 *grants to such institutions to assist in the operation of work-*  
 15 *study programs as hereinafter provided.*

16 *CONDITIONS OF AGREEMENTS*

17 *SEC. 124. An agreement entered into pursuant to sec-*  
 18 *tion 123 shall—*

19 *(a) provide for the operation by the institution of*  
 20 *a program for the part-time employment of its students*  
 21 *in work—*

22 *(1) for the institution itself, or*

23 *(2) for a public or private nonprofit organiza-*  
 24 *tion when the position is obtained through an ar-*

1           *rangement between the institution and such an orga-*  
 2           *nization and—*

3                   *(A) the work is related to the student's*  
 4                   *educational objective, or*

5                   *(B) such work (i) will be in the public*  
 6                   *interest and is work which would not otherwise*  
 7                   *be provided, (ii) will not result in the displace-*  
 8                   *ment of employed workers or impair existing*  
 9                   *contracts for services, and (iii) will be governed*  
 10                   *by such conditions of employment as will be*  
 11                   *appropriate and reasonable in light of such fac-*  
 12                   *tors as the type of work performed, geographi-*  
 13                   *cal region, and proficiency of the employee:*

14           *Provided, however, That no such work shall involve the*  
 15           *construction, operation, or maintenance of so much of any*  
 16           *facility used or to be used for sectarian instruction or*  
 17           *as a place for religious worship;*

18                   *(b) provide that funds granted an institution of*  
 19                   *higher education, pursuant to section 123 may be used*  
 20                   *only to make payments to students participating in*  
 21                   *work-study programs, except that an institution may use*  
 22                   *a portion of the sums granted to it to meet administra-*  
 23                   *tive expenses, but the amount so used may not exceed*  
 24                   *5 per centum of the payments made by the Director to*



1     *such institution for that part of the work-study program*  
2     *in which students are working for public or nonprofit*  
3     *organizations other than the institution itself;*

4             *(c) provide that employment under such work-*  
5     *study program shall be furnished only to a student who*  
6     *(1) is from a low-income family, (2) is in need of the*  
7     *earnings from such employment in order to pursue a*  
8     *course of study at such institution, (3) is capable, in the*  
9     *opinion of the institution, of maintaining good standing*  
10    *in such course of study while employed under the pro-*  
11    *gram covered by the agreement, and (4) has been ac-*  
12    *cepted for enrollment as a full-time student at the institu-*  
13    *tion or, in the case of a student already enrolled in*  
14    *and attending the institution, is in good standing and in*  
15    *full-time attendance there either as an undergraduate,*  
16    *graduate, or professional student;*

17            *(d) provide that no student shall be employed*  
18    *under such work-study program for more than fifteen*  
19    *hours in any week in which classes in which he is en-*  
20    *rolled are in session;*

21            *(e) provide that in each fiscal year during which*  
22    *the agreement remains in effect, the institution shall ex-*  
23    *pend (from sources other than payments under this*  
24    *part) for the employment of its students (whether or not*

1 in employment eligible for assistance under this part)  
2 an amount that is not less than its average annual ex-  
3 penditure for such employment during the three fiscal  
4 years preceding the fiscal year in which the agreement is  
5 entered into;

6 (f) provide that the Federal share of the compen-  
7 sation of students employed in the work-study program  
8 in accordance with the agreement will not exceed 90  
9 per centum of such compensation for work performed  
10 during the period ending two years after the date of  
11 enactment of this Act, or June 30, 1966, whichever is  
12 later, and 75 per centum thereafter;

13 (g) include provisions designed to make employ-  
14 ment under such work-study program, or equivalent  
15 employment offered or arranged for by the institution,  
16 reasonably available (to the extent of available funds)  
17 to all eligible students in the institution in need thereof;  
18 and

19 (h) include such other provisions as the Director  
20 shall deem necessary or appropriate to carry out the  
21 purposes of this part.

22 SOURCES OF MATCHING FUNDS

23 SEC. 125. Nothing in this part shall be construed as  
24 restricting the source (other than this part) from which



1 *the institution may pay its share of the compensation of a*  
 2 *student employed under a work-study program covered by*  
 3 *an agreement under this part.*

4 *EQUITABLE DISTRIBUTION OF ASSISTANCE*

5 *SEC. 126. The Director shall establish criteria designed*  
 6 *to achieve such distribution of assistance under this part*  
 7 *among institutions of higher education within a State as will*  
 8 *most effectively carry out the purposes of this Act.*

9 *PART D—AUTHORIZATION OF APPROPRIATIONS*

10 *SEC. 131. The Director shall carry out the programs*  
 11 *provided for in this title during the fiscal year ending*  
 12 *June 30, 1965, and the two succeeding fiscal years. For the*  
 13 *purpose of carrying out this title, there is hereby authorized*  
 14 *to be appropriated the sum of \$412,500,000 for the fiscal*  
 15 *year ending June 30, 1965; and for the fiscal year ending*  
 16 *June 30, 1966, and the fiscal year ending June 30, 1967,*  
 17 *such sums may be appropriated as the Congress may here-*  
 18 *after authorize by law.*

19 *TITLE II—URBAN AND RURAL COMMUNITY*  
 20 *ACTION PROGRAMS*

21 *PART A—GENERAL COMMUNITY ACTION PROGRAMS*

22 *STATEMENT OF PURPOSE*

23 *SEC. 201. The purpose of this part is to provide stim-*  
 24 *ulation and incentive for urban and rural communities to*  
 25 *mobilize their resources to combat poverty through com-*  
 26 *munity action programs.*

## COMMUNITY ACTION PROGRAMS

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof, with maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.



1        (b) *The Director is authorized to prescribe such addi-*  
2        *tional criteria for programs carried on under this part as he*  
3        *shall deem appropriate.*

## 4 ALLOTMENTS TO STATES

5        *SEC. 203. (a) From the sums appropriated to carry*  
6        *out this title for a fiscal year, the Director shall reserve the*  
7        *amount needed for carrying out sections 204 and 205. Not*  
8        *to exceed 2 per centum of the amount so reserved shall be*  
9        *allotted by the Director among Puerto Rico, Guam, Ameri-*  
10       *can Samoa, and the Virgin Islands according to their re-*  
11       *spective needs for assistance under this part. Twenty per*  
12       *centum of the amount so reserved shall be allotted among*  
13       *the States as the Director shall determine. The remainder*  
14       *of the sums so reserved shall be allotted among the States*  
15       *as provided in subsection (b).*

16 (b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States:

23           (2) one-third shall be allotted by him among the  
24       States so that the allotment to each State under this  
25       clause will be an amount which bears the same ratio to

1        *such one-third as the annual average number of persons*  
2        *unemployed in such State bears to the annual average*  
3        *number of persons unemployed in all the States; and*

4            *(3) the remaining one-third shall be allotted by him*  
5        *among the States so that the allotment to each State*  
6        *under this clause will be an amount which bears the*  
7        *same ratio to such one-third as the number of related*  
8        *children under 18 years of age living in families with*  
9        *incomes of less than \$1,000 in such State bears to the*  
10       *number of related children under 18 years of age living*  
11       *in families with incomes of less than \$1,000 in all the*  
12       *States.*

13       *(c) The portion of any State's allotment under sub-*  
14       *section (a) for a fiscal year which the Director determines*  
15       *will not be required for such fiscal year for carrying out this*  
16       *part shall be available for reallocation from time to time,*  
17       *on such dates during such year as the Director may fix, to*  
18       *other States in proportion to their original allotments for such*  
19       *year, but with such proportionate amount for any of such*  
20       *other States being reduced to the extent it exceeds the sum*  
21       *which the Director estimates such State needs and will be*  
22       *able to use for such year for carrying out this part; and the*  
23       *total of such reductions shall be similarly reallocated among*  
24       *the States whose proportionate amounts are not so reduced.*  
25       *Any amount reallocated to a State under this subsection during*



1 a year shall be deemed part of its allotment under subsection  
2 (a) for such year.

3 (d) For the purposes of this section, the term "State"  
4 does not include Puerto Rico, Guam, American Samoa, and  
5 the Virgin Islands.

6 FINANCIAL ASSISTANCE FOR DEVELOPMENT OF  
7 COMMUNITY ACTION PROGRAMS

8 SEC. 204. The Director is authorized to make grants to,  
9 or to contract with, appropriate public or private nonprofit  
10 agencies, or combinations thereof, to pay part or all of the  
11 costs of development of community action programs.

12 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRA-  
13 TION OF COMMUNITY ACTION PROGRAMS

14 SEC. 205. (a) The Director is authorized to make  
15 grants to, or to contract with, public or private nonprofit  
16 agencies, or combinations thereof, to pay part or all of the  
17 costs of community action programs which have been ap-  
18 proved by him pursuant to this part, including the cost of  
19 carrying out programs which are components of a com-  
20 munity action program and which are designed to achieve  
21 the purposes of this part. Such component programs shall  
22 be focused upon the needs of low-income individuals and  
23 families and shall provide expanded and improved services,  
24 assistance, and other activities, and facilities necessary in  
25 connection therewith. Such programs shall be conducted

1 in those fields which fall within the purposes of this part  
2 including employment, job training and counseling, health,  
3 vocational rehabilitation, housing, home management, wel-  
4 fare, and special remedial and other noncurricular educa-  
5 tional assistance for the benefit of low-income individuals and  
6 families.

7 (b) No grant or contract authorized under this part  
8 may provide for general aid to elementary or secondary  
9 education in any school or school system.

10 (c) In determining whether to extend assistance under  
11 this section the Director shall consider among other relevant  
12 factors the incidence of poverty within the community and  
13 within the areas or groups to be affected by the specific  
14 program or programs, and the extent to which the appli-  
15 cant is in a position to utilize efficiently and expeditiously  
16 the assistance for which application is made. In deter-  
17 mining the incidence of poverty the Director shall consider  
18 information available with respect to such factors as: the  
19 concentration of low-income families, particularly those  
20 with children; the extent of persistent unemployment and  
21 underemployment; the number and proportion of persons  
22 receiving cash or other assistance on a needs basis from  
23 public agencies or private organizations; the number of mi-  
24 grant or transient low-income families; school dropout rates,  
25 military service rejection rates, and other evidences of low



1 *educational attainment; the incidence of disease, disability,*  
2 *and infant mortality; housing conditions; adequacy of com-*  
3 *munity facilities and services; and the incidence of crime*  
4 *and juvenile delinquency.*

5 *(d) In extending assistance under this section the Di-*  
6 *rector shall give special consideration to programs which*  
7 *give promise of effecting a permanent increase in the capacity*  
8 *of individuals, groups, and communities to deal with their*  
9 *problems without further assistance.*

10 *TECHNICAL ASSISTANCE*

11 *SEC. 206. The Director is authorized to provide, either*  
12 *directly or through grants or other arrangements, (1)*  
13 *technical assistance to communities in developing, con-*  
14 *ducting, and administering community action programs, and*  
15 *(2) training for specialized personnel needed to develop,*  
16 *conduct, or administer such programs or to provide services*  
17 *or other assistance thereunder.*

18 *RESEARCH, TRAINING, AND DEMONSTRATIONS*

19 *SEC. 207. The Director is authorized to conduct, or to*  
20 *make grants to or enter into contracts with institutions of*  
21 *higher education or other appropriate public agencies or*  
22 *private nonprofit organizations for the conduct of, research,*  
23 *training, and demonstrations pertaining to the purposes of*  
24 *this part. Expenditures under this section in any fiscal year*  
25 *shall not exceed 15 per centum of the sums appropriated*

1 or allocated for such year to carry out the purposes of this  
2 part.

### 3           LIMITATIONS ON FEDERAL ASSISTANCE

4       *SEC. 208. (a) Assistance pursuant to sections 204 and*  
5 *205 paid for the period ending two years after the date of*  
6 *enactment of this Act, or June 30, 1966, whichever is later,*  
7 *shall not exceed 90 per centum of the costs referred to in*  
8 *those sections, respectively, and thereafter shall not exceed*  
9 *50 per centum of such costs, unless the Director determines,*  
10 *pursuant to regulations adopted and promulgated by him*  
11 *establishing objective criteria for such determinations, that*  
12 *assistance in excess of such percentages is required in*  
13 *furtherance of the purposes of this part. Non-Federal con-*  
14 *tributions may be in cash or in kind, fairly evaluated, in-*  
15 *cluding but not limited to plant, equipment, and services.*

16       *(b) The expenditures or contributions made from non-*  
17 *Federal sources for a community action program or*  
18 *component thereof shall be in addition to the aggregate ex-*  
19 *penditures or contributions from non-Federal sources which*  
20 *were being made for similar purposes prior to the extension*  
21 *of Federal assistance.*

### 22           PARTICIPATION OF STATE AGENCIES

23       *SEC. 209. (a) The Director shall establish procedures*  
24 *which will facilitate effective participation of the States in*  
25 *community action programs. Such procedures shall include*



1 *provision for the referral of applications for assistance under*  
2 *this part to the Governor of each State affected, or his*  
3 *designee, for such comments as he may deem appropriate.*

4 *(b) The Director is authorized to make grants to, or*  
5 *to contract with, appropriate State agencies for the payment*  
6 *of the expenses of such agencies in providing technical assist-*  
7 *ance to communities in developing, conducting, and admin-*  
8 *istering community action programs.*

9 *EQUITABLE DISTRIBUTION OF ASSISTANCE*

10 *SEC. 210. The Director shall establish criteria designed*  
11 *to achieve an equitable distribution of assistance under this*  
12 *part within the States between urban and rural areas. In*  
13 *developing such criteria, he shall consider the relative num-*  
14 *bers in the States or areas therein of: (1) low-income*  
15 *families, particularly those with children; (2) unemployed*  
16 *persons; (3) persons receiving cash or other assistance on*  
17 *a needs basis from public agencies or private organizations;*  
18 *(4) school dropouts; (5) adults with less than an eighth-*  
19 *grade education; and (6) persons rejected for military*  
20 *service.*

21 *PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS*

22 *SEC. 211. In determining whether to extend assistance*  
23 *under this Act, the Director shall, to the extent feasible, give*  
24 *preference to programs and projects which are components of*  
25 *a community action program approved pursuant to this part.*

*PART B—ADULT BASIC EDUCATION PROGRAMS*

*DECLARATION OF PURPOSE*

*SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.*

*GRANTS TO STATES*

*SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.*

*(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—*

*(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations*



1     *in the light of local needs, of special materials or meth-*  
 2     *ods for instruction of such individuals, (B) stimulate the*  
 3     *development of local educational agency programs for*  
 4     *instruction of such individuals in such schools or other*  
 5     *facilities, and (C) acquire additional information con-*  
 6     *cerning the materials or methods needed for an effective*  
 7     *program for raising adult basic educational skills;*

8             *(2) assist in meeting the cost of local educational*  
 9     *agency programs for instruction of such individuals in*  
 10    *such schools or other facilities; and*

11            *(3) assist in development or improvement of tech-*  
 12    *nical or supervisory services by the State educational*  
 13    *agency relating to adult basic education programs.*

14                                    STATE PLANS

15     *SEC. 214. (a) The Director shall approve for purposes*  
 16    *of this part the plan of a State which—*

17             *(1) provides for administration thereof by the State*  
 18    *educational agency;*

19             *(2) provides that such agency will make such re-*  
 20    *ports to the Director, in such form and containing such*  
 21    *information, as may reasonably be necessary to enable*  
 22    *the Director to perform his duties under this part and*  
 23    *will keep such records and afford such access thereto as*  
 24    *the Director finds necessary to assure the correctness*  
 25    *and verification of such reports;*

1           (3) provides such fiscal control and fund account-  
2           ing procedures as may be necessary to assure proper  
3           disbursement of and accounting for Federal funds paid  
4           to the State under this part (including such funds paid  
5           by the State to local educational agencies);

6           (4) provides for cooperative arrangements between  
7           the State educational agency and the State health au-  
8           thority looking toward provision of such health informa-  
9           tion and services for individuals described in section 212  
10          as may be available from such agencies and as may rea-  
11          sonably be necessary to enable them to benefit from the  
12          instruction provided under programs conducted pursuant  
13          to grants under this part; and

14          (5) sets forth a program for use, in accordance with  
15          section 213(b), of grants under this part which affords  
16          assurance of substantial progress, within a reasonable  
17          period and with respect to all segments of the popula-  
18          tion and all areas of the State, toward elimination of the  
19          inability of adults to read and write English and toward  
20          substantially raising the level of education of individuals  
21          described in section 212.

22          (b) The Director shall not finally disapprove any State  
23          plan submitted under this part, or any modification thereof,  
24          without first affording the State educational agency reason-  
25          able notice and opportunity for a hearing.



## ALLOTMENTS

1  
2       *SEC. 215. (a) From the sums allocated for grants to*  
3 *States under section 213 for any fiscal year, the Director*  
4 *shall reserve such amount, but not in excess of 2 per centum*  
5 *thereof, as he may determine, and shall allot such amount*  
6 *among Puerto Rico, Guam, American Samoa, and the Vir-*  
7 *gin Islands according to their respective needs for assistance*  
8 *under this part. The remainder of the sums so allocated for a*  
9 *fiscal year shall be allotted by the Director on the basis of the*  
10 *relative number of individuals in each State who have at-*  
11 *tained age eighteen and who have completed not more than*  
12 *five grades of school or have not achieved an equivalent level*  
13 *of education, as determined by the Director on the basis of the*  
14 *best and most recent information available to him, including*  
15 *any relevant data furnished to him by the Department of*  
16 *Commerce. The amount allotted to any State under the pre-*  
17 *ceding sentence for any fiscal year which is less than \$50,000*  
18 *shall be increased to that amount, the total thereby required*  
19 *being derived by proportionately reducing the amount allotted*  
20 *to each of the remaining States under the preceding sentence,*  
21 *but with such adjustments as may be necessary to prevent the*  
22 *allotment of any of such remaining States from being thereby*

1 reduced to less than \$50,000. For the purposes of this  
2 subsection, the term "State" shall not include Puerto Rico,  
3 Guam, American Samoa, and the Virgin Islands.

4 (b) The portion of any State's allotment under sub-  
5 section (a) for a fiscal year which the Director determines  
6 will not be required, for the period such allotment is avail-  
7 able, for carrying out the State plan (if any) approved under  
8 this part shall be available for reallocation from time to time,  
9 on such dates during such period as the Director may fix, to  
10 other States in proportion to the original allotments to such  
11 States under subsection (a) for such year, but with such  
12 proportionate amount for any of such other States being  
13 reduced to the extent it exceeds the sum which the Director  
14 estimates such State needs and will be able to use for such  
15 period for carrying out its State plan approved under this  
16 part; and the total of such reductions shall be similarly  
17 reallocated among the States whose proportionate amounts  
18 are not so reduced. Any amount reallocated to a State under  
19 this subsection during a year shall be deemed part of its  
20 allotment under subsection (a) for such year.

21 (c) The allotment of any State under subsection (a)  
22 for the fiscal year ending June 30, 1965, shall, except to the



1 extent reallocated under subsection (b), remain available  
2 until June 30, 1966, for obligation by such State for carry-  
3 ing out its State plan approved under this part.

#### 4 PAYMENTS

5 SEC. 216. (a) From a State's allotment available for  
6 the purpose, the Federal share of expenditures, under its  
7 State plan, for the purposes set forth in section 213(b) shall  
8 be paid to such State. Such payments shall be made in  
9 advance on the basis of estimates by the Director; and may  
10 be made in such installments as the Director may determine,  
11 after making appropriate adjustments to take account of  
12 previously made overpayments or underpayments; except  
13 that no such payments shall be made for any fiscal year un-  
14 less the Director finds that the amount available for expendi-  
15 tures for adult basic educational programs and services from  
16 State sources for such year will be not less than the amount  
17 expended for such purposes from such sources during the  
18 preceding fiscal year.

19 (b) For the fiscal year ending June 30, 1965, and the  
20 fiscal year ending June 30, 1966, the Federal share for each  
21 State shall be 90 per centum. For the succeeding fiscal year  
22 the Federal share for any State shall be 50 per centum.

1 OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL  
2 REVIEW

3 SEC. 217. (a) Whenever the Director, after reasonable  
4 notice and opportunity for hearing to the State educational  
5 agency administering a State plan approved under this part,  
6 finds that—

7 (1) the State plan has been so changed that it no  
8 longer complies with the provisions of section 214, or

9 (2) in the administration of the plan there is a  
10 failure to comply substantially with any such provision,  
11 the Director shall notify such State agency that no further  
12 payments will be made to the State under this part (or in  
13 his discretion, that further payments to the State will be  
14 limited to programs under or portions of the State plan not  
15 affected by such failure), until he is satisfied that there  
16 will no longer be any failure to comply. Until he is so  
17 satisfied, no further payments may be made to such State  
18 under this part (or payments shall be limited to programs  
19 under or portions of the State plan not affected by such  
20 failure).

21 (b) A State educational agency dissatisfied with a final  
22 action of the Director under section 214 or subsection (a)



1 of this section may appeal to the United States court of  
2 appeals for the circuit in which the State is located, by  
3 filing a petition with such court within sixty days after such  
4 final action. A copy of the petition shall be forthwith trans-  
5 mitted by the clerk of the court to the Director, or any officer  
6 designated by him for that purpose. The Director thereupon  
7 shall file in the court the record of the proceedings on which  
8 he based his action, as provided in section 2112 of title 28,  
9 United States Code. Upon the filing of such petition, the  
10 court shall have jurisdiction to affirm the action of the  
11 Director or to set it aside, in whole or in part, temporarily  
12 or permanently, but until the filing of the record, the  
13 Director may modify or set aside his order. The findings  
14 of the Director as to the facts, if supported by substantial  
15 evidence, shall be conclusive, but the court, for good cause  
16 shown, may remand the case to the Director to take further  
17 evidence, and the Director may thereupon make new or  
18 modified findings of fact and may modify his previous action,  
19 and shall file in the court the record of the further proceed-  
20 ings. Such new or modified findings of fact shall likewise  
21 be conclusive if supported by substantial evidence. The  
22 judgment of the court affirming or setting aside, in whole or  
23 in part, any action of the Director shall be final, subject to  
24 review by the Supreme Court of the United States upon  
25 certiorari or certification as provided in section 1254 of title

1 28, *United States Code*. The commencement of proceedings  
2 under this subsection shall not, unless so specifically ordered  
3 by the court, operate as a stay of the Director's action.

4 MISCELLANEOUS

5 SEC. 218. For purposes of this part—

6 (1) the term “State educational agency” means  
7 the State board of education or other agency or officer  
8 primarily responsible for the State supervision of public  
9 elementary and secondary schools, or, if different, the  
10 agency or officer primarily responsible for supervision  
11 of adult basic education in public schools, whichever  
12 may be designated by the Governor or by State law, or,  
13 if there is no such agency or officer, an agency or officer  
14 designated by the Governor or by State law;

15 (2) the term “local educational agency” means a  
16 board of education or other legally constituted local  
17 school authority having administrative control and di-  
18 rection of public elementary or secondary schools in a  
19 city, county, township, school district, or political sub-  
20 division in a State, except that if there is a separate  
21 board or other legally constituted local authority having  
22 administrative control and direction of adult basic edu-  
23 cation in public schools therein, it means such other  
24 board or authority.



1        *PART C—AUTHORIZATION OF APPROPRIATIONS*

2        *SEC. 221. The Director shall carry out the programs*  
3 *provided for in this title during the fiscal year ending*  
4 *June 30, 1965, and the two succeeding fiscal years. For the*  
5 *purpose of carrying out this title, there is hereby author-*  
6 *ized to be appropriated the sum of \$340,000,000 for the*  
7 *fiscal year ending June 30, 1965; and for the fiscal year*  
8 *ending June 30, 1966, and the fiscal year ending June 30,*  
9 *1967, such sums may be appropriated as the Congress*  
10 *may hereafter authorize by law.*

11        *TITLE III—SPECIAL PROGRAMS TO COMBAT*  
12                    *POVERTY IN RURAL AREAS*

13                    *STATEMENT OF PURPOSE*

14        *SEC. 301. It is the purpose of this title to meet some of*  
15 *the special problems of rural poverty and thereby to raise*  
16 *and maintain the income and living standards of low-income*  
17 *rural families and migrant agricultural employees and their*  
18 *families.*

19        *PART A—AUTHORITY TO MAKE GRANTS AND LOANS*

20        *SEC. 302. (a) The Director is authorized to make—*  
21                    *(1) grants of not to exceed \$1,500 to low-income*  
22                    *rural families where, in the judgment of the Director,*  
23                    *such grants have a reasonable possibility of effecting*

1        *a permanent increase in the income of such families by*  
2        *assisting or permitting them to—*

3                *(A) acquire or improve real estate or reduce*  
4        *encumbrances or erect improvements thereon,*

5                *(B) operate or improve the operation of farms*  
6        *not larger than family sized, including but not lim-*  
7        *ited to the purchase of feed, seed, fertilizer, livestock,*  
8        *poultry, and equipment,*

9                *(C) participate in cooperative associations, or*

10               *(D) finance nonagricultural enterprises which*  
11        *will enable such families to supplement their income;*  
12        *and*

13               *(2) loans to such families, having a maximum*  
14        *maturity of fifteen years and in amounts not exceeding*  
15        *\$2,500 in the aggregate to any family at any one time,*  
16        *for the purpose set forth in subparagraph (a)(1)(D)*  
17        *of this section.*

18        *(b) Grants under this section shall be made only if*  
19        *the family is not qualified to obtain such funds by loan under*  
20        *other Federal programs: Provided, however, That nothing*  
21        *herein shall be construed to prevent the making of grants*  
22        *where appropriate in combination with or as supplements*  
23        *to loans under this program or other Federal programs.*



1            **FAMILY FARM DEVELOPMENT CORPORATIONS**

2            *SEC. 303. (a) The Director is authorized to cooperate*  
3 *with, furnish technical assistance to, and otherwise assist in*  
4 *the organization of public or private nonprofit corporations*  
5 *having as their objective the improvement of the productivity*  
6 *and income of low-income farmers. Such corporations shall*  
7 *be eligible for assistance under this section if they are orga-*  
8 *nized for the purpose of and have the power to acquire real*  
9 *property or any interest therein in rural areas, to develop*  
10 *or reconstitute such real property into units not larger than*  
11 *family farms, including necessary fences, farm buildings, land*  
12 *and water development, and related facilities, and to sell the*  
13 *farms so developed or reconstituted to low-income farm*  
14 *families at prices equal to their appraised value when used*  
15 *for agricultural purposes and in a manner that the Director*  
16 *determines will further the purposes of this title: Provided,*  
17 *however, That such sales shall be subject to the condition*  
18 *that, for twenty years from the date of sale by the corpora-*  
19 *tion, upon any resale of the farm, the resale proceeds in*  
20 *excess of such appraised value up to the corporation's invest-*  
21 *ment in the property (less the then value as determined by*  
22 *the corporation of any improvements placed on the farm by*  
23 *the purchaser from the corporation or his heirs, successors,*

1 or assigns), shall be payable to the corporation; and there is  
2 hereby created a first lien on such property running to the  
3 corporation and to the United States to secure the payment  
4 of such amounts.

5 (b) The Director may prescribe such rules and regula-  
6 tions regarding the organization, financial resources, opera-  
7 tions, and activities of such corporations as he deems appro-  
8 priate.

9 (c) The Director is authorized to purchase the obliga-  
10 tions of, or make loans to, such corporations upon such terms  
11 and conditions as he may determine subject to the limitations  
12 of sections 305 and 306.

13 (d) The Director is authorized to make grants to such  
14 corporations in amounts sufficient to make up the deficiency  
15 between the cost of the farms developed or reconstituted by  
16 them and the net proceeds received from the sale of such  
17 farms at the prices specified in subsection (a).

#### 18 COOPERATIVE ASSOCIATIONS

19 SEC. 304. The Director is authorized to make loans to  
20 local cooperative associations furnishing essential processing,  
21 purchasing, or marketing services, supplies, or facilities pre-  
22 dominantly to low-income rural families.



1                    *LIMITATIONS ON ASSISTANCE*

2            *SEC. 305. No financial or other assistance shall be pro-*  
3 *vided under this part unless the Director determines that—*

4                    *(a) the providing of such assistance will materially*  
5 *further the purposes of this part, and*

6                    *(b) in the case of assistance provided pursuant to*  
7 *sections 303 and 304, the applicant is fulfilling or will*  
8 *fulfill a need for services, facilities, or activities which is*  
9 *not otherwise being met.*

10                    *LOAN TERMS AND CONDITIONS*

11            *SEC. 306. Loans pursuant to sections 302, 303,*  
12 *and 304 (including obligations purchased pursuant to sec-*  
13 *tion 303) shall have such terms and conditions as the Di-*  
14 *rector shall determine, subject to the following limitations:*

15                    *(a) there is reasonable assurance of repayment*  
16 *of the loan;*

17                    *(b) the credit is not otherwise available on reason-*  
18 *able terms from private sources or other Federal, State,*  
19 *or local programs;*

20                    *(c) the amount of the loan, together with other*  
21 *funds available, is adequate to assure completion of the*  
22 *project or achievement of the purposes for which the*  
23 *loan is made;*

24                    *(d) the loan bears interest at a rate not less than*

1       (1) a rate determined by the Secretary of the Treasury,  
2       taking into consideration the average market yield on  
3       outstanding Treasury obligations of comparable maturity,  
4       plus (2) such additional charge, if any, toward covering  
5       other costs of the program as the Director may deter-  
6       mine to be consistent with its purposes;

7       (e) with respect to loans made pursuant to sections  
8       303 and 304, the loan is repayable within not more than  
9       thirty years; and

10       (f) no financial or other assistance shall be pro-  
11       vided under this part to or in connection with any corpo-  
12       ration or cooperative organization for the production of  
13       agricultural commodities or for manufacturing purposes.

14   PART B—ASSISTANCE FOR MIGRANT AGRICULTURAL  
15       EMPLOYEES AND THEIR FAMILIES

16       SEC. 311. The Director shall develop and implement  
17       as soon as practicable a program to assist the States, political  
18       subdivisions of States, public and nonprofit agencies, institu-  
19       tions, organizations, farm associations, or individuals in es-  
20       tablishing and operating programs of assistance for migrant  
21       agricultural employees and their families which programs  
22       shall be limited to housing, sanitation, education, and day  
23       care of children. Institutions, organizations, farm associa-  
24       tions, or individuals shall be limited to direct loans.



1      *PART C—AUTHORIZATION OF APPROPRIATIONS*

2        *SEC. 321. The Director shall carry out the program*  
3        *provided for in this title during the fiscal year ending June*  
4        *30, 1965, and the two succeeding fiscal years. For the pur-*  
5        *pose of carrying out this title, there is hereby authorized to*  
6        *be appropriated the sum of \$50,000,000 for the fiscal year*  
7        *ending June 30, 1965; and for the fiscal year ending June*  
8        *30, 1966, and for the fiscal year ending June 30, 1967, such*  
9        *sums may be appropriated as the Congress may hereafter*  
10       *authorized by law. Not to exceed \$15,000,000 of the funds*  
11       *appropriated under other titles of this Act for the fiscal year*  
12       *ending June 30, 1965, may also be utilized for the purposes*  
13       *of part B of this title.*

14 *TITLE IV—EMPLOYMENT AND INVESTMENT*  
15 *INCENTIVES*

16 STATEMENT OF PURPOSE

17        *SEC. 401. It is the purpose of this title to assist in the*  
18        *establishment, preservation, and strengthening of small busi-*  
19        *ness concerns and improve the managerial skills employed*  
20        *in such enterprises; and to mobilize for these objectives*  
21        *private as well as public managerial skills and resources.*

22 *LOANS, PARTICIPATIONS, AND GUARANTIES*

23        *SEC. 402. The Director is authorized to make, partici-*  
24   *pate (on an immediate basis) in, or guarantee loans, repay-*

1 able in not more than fifteen years, to any small business  
2 concern (as defined in section 3 of the Small Business Act  
3 (15 U.S.C. 632) and regulations issued thereunder), or to  
4 any qualified person seeking to establish such a concern,  
5 when he determines that such loans will assist in carrying  
6 out the purposes of this title, with particular emphasis on em-  
7 ployment of the long-term unemployed: Provided, however,  
8 That no such loans shall be made, participated in, or guar-  
9 anteed if the total of such Federal assistance to a single bor-  
10 rower outstanding at any one time would exceed \$25,000.  
11 The Director may defer payments on the principal of such  
12 loans for a grace period and use such other methods as he  
13 deems necessary and appropriate to assure the successful  
14 establishment and operation of such concern. The Director  
15 may, in his discretion, as a condition of such financial assist-  
16 ance, require that the borrower take steps to improve his  
17 management skills by participating in a management train-  
18 ing program approved by the Director. The Director shall  
19 encourage, as far as possible, the participation of the private  
20 business community in the program of assistance to such  
21 concerns.

#### 22 COORDINATION WITH COMMUNITY ACTION PROGRAMS

23 SEC. 403. No financial assistance shall be provided under  
24 section 402 in any community for which the Director has



1 *approved a community action program pursuant to title II*  
2 *of this Act unless such financial assistance is determined by*  
3 *him to be consistent with such program.*

4 *FINANCING UNDER SMALL BUSINESS ACT*

5 *SEC. 404. Such lending and guaranty functions under*  
6 *this title as may be delegated to the Small Business Adminis-*  
7 *tration may be financed with funds appropriated to the*  
8 *revolving fund established by section 4(c) of the Small*  
9 *Business Act (15 U.S.C. 633(c)) for the purposes of sec-*  
10 *tions 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636*  
11 *(a), 636(b), 637(a)).*

12 *LOAN TERMS AND CONDITIONS*

13 *SEC. 405. Loans made pursuant to section 402 (includ-*  
14 *ing immediate participations in and guaranties of such loans)*  
15 *shall have such terms and conditions as the Director shall*  
16 *determine, subject to the following limitations—*

17 *(a) there is reasonable assurance of repayment of*  
18 *the loan;*

19 *(b) the financial assistance is not otherwise avail-*  
20 *able on reasonable terms from private sources or other*  
21 *Federal, State, or local programs;*

22 *(c) the amount of the loan, together with other*

1        *funds available, is adequate to assure completion of the*  
2        *project or achievement of the purposes for which the*  
3        *loan is made;*

4            *(d) the loan bears interest at a rate not less than*  
5        *(1) a rate determined by the Secretary of the Treasury,*  
6        *taking into consideration the average market yield on*  
7        *outstanding Treasury obligations of comparable maturity,*  
8        *plus (2) such additional charge, if any, toward covering*  
9        *other costs of the program as the Director may determine*  
10       *to be consistent with its purposes: Provided, however,*  
11       *That the rate of interest charged on loans made in re-*  
12       *development areas designated under the Area Redevelop-*  
13       *ment Act (42 U.S.C. 2501 et seq.) shall not exceed*  
14       *the rate currently applicable to new loans made under*  
15       *section 6 of that Act (42 U.S.C. 2505); and*

16            *(e) fees not in excess of amounts necessary to cover*  
17        *administrative expenses and probable losses may be*  
18        *required on loan guaranties.*

19            *LIMITATION ON FINANCIAL ASSISTANCE*

20        *SEC. 406. No financial assistance shall be extended pur-*  
21        *suant to this title where the Director determines that the as-*  
22        *sistance will be used in relocating establishments from one*



1 *area to another or in financing subcontractors to enable them*  
2 *to undertake work theretofore performed in another area*  
3 *by other subcontractors or contractors.*

4 *DURATION OF PROGRAM*

5 *SEC. 407. The Director shall carry out the programs*  
6 *provided for in this title during the fiscal year ending June*  
7 *30, 1965, and the two succeeding fiscal years.*

8 *TITLE V—WORK EXPERIENCE PROGRAMS*

9 *STATEMENT OF PURPOSE*

10 *SEC. 501. It is the purpose of this title to expand the*  
11 *opportunities for constructive work experience and other*  
12 *needed training available to persons who are unable to sup-*  
13 *port or care for themselves or their families. In carrying*  
14 *out this purpose, the Director shall make maximum use of the*  
15 *programs available under the Manpower Development and*  
16 *Training Act of 1962, as amended, and Vocational Educa-*  
17 *tion Act of 1963.*

18 *PAYMENTS FOR EXPERIMENTAL, PILOT, AND*

19 *DEMONSTRATION PROJECTS*

20 *SEC. 502. In order to stimulate the adoption of pro-*  
21 *grams designed to help unemployed fathers and other needy*  
22 *persons to secure and retain employment or to attain or retain*  
23 *capability for self-support or personal independence, the*

1 *Director is authorized to transfer funds appropriated or allo-*  
2 *cated to carry out the purposes of this title to the Secretary of*  
3 *Health, Education, and Welfare to enable him to make pay-*  
4 *ments for experimental, pilot, or demonstration projects under*  
5 *section 1115 of the Social Security Act (42 U.S.C. 1315),*  
6 *subject to the limitations contained in section 409(a)(1) to*  
7 *(6), inclusive, of such Act (42 U.S.C. 609(a)(1)-(6)),*  
8 *in addition to the sums otherwise available pursuant thereto.*  
9 *The costs of such projects to the United States for the fiscal*  
10 *year ending June 30, 1965, shall, notwithstanding the provi-*  
11 *sions of such Act, be met entirely from funds appropriated*  
12 *or allocated to carry out the purposes of this title.*

13 *AUTHORIZATION OF APPROPRIATIONS*

14 *SEC. 503. The Director shall carry out the programs*  
15 *provided for in this title during the fiscal year ending June*  
16 *30, 1965, and the two succeeding fiscal years. For the pur-*  
17 *pose of carrying out this title, there is hereby authorized to*  
18 *be appropriated the sum of \$150,000,000 for the fiscal year*  
19 *ending June 30, 1965; and for the fiscal year ending June*  
20 *30, 1966, and the fiscal year ending June 30, 1967, such*  
21 *sums may be appropriated as the Congress may hereafter*  
22 *authorize by law.*



1            **TITLE VI—ADMINISTRATION AND**  
2                            **COORDINATION**

3                            **PART A—ADMINISTRATION**

4                            **OFFICE OF ECONOMIC OPPORTUNITY**

5            *SEC. 601. (a) There is hereby established in the Ex-*  
6 *ecutive Office of the President the Office of Economic Oppor-*  
7 *tunity. The Office shall be headed by a Director who shall*  
8 *be appointed by the President, by and with the advice and*  
9 *consent of the Senate. There shall also be in the Office one*  
10 *Deputy Director and three Assistant Directors who shall be*  
11 *appointed by the President, by and with the advice and con-*  
12 *sent of the Senate. The Deputy Director and the Assistant*  
13 *Directors shall perform such functions as the Director may*  
14 *from time to time prescribe.*

15            *(b) Notwithstanding the provisions of section 5(b) of*  
16 *the Reorganization Act of 1949 (5 U.S.C. 133z-3(b)), at*  
17 *any time after one year from the date of enactment hereof*  
18 *the President may, by complying with the procedures estab-*  
19 *lished by that Act, provide for the transfer of the Office from*  
20 *the Executive Office of the President and for its establish-*  
21 *ment elsewhere in the executive branch as he deems appro-*  
22 *priate.*

23            *(c) The compensation of the Director of the Office of*  
24 *Economic Opportunity shall be fixed by the President at a*

1 rate not in excess of the annual rate of compensation pay-  
2 able to the Director of the Bureau of the Budget.

3 (d) The compensation of the Deputy Director of the  
4 Office of Economic Opportunity shall be fixed by the Presi-  
5 dent at a rate not in excess of the annual rate of compen-  
6 sation payable to the Deputy Director of the Bureau of the  
7 Budget.

8 (e) The compensation of the Assistant Directors of the  
9 Office of Economic Opportunity shall be fixed by the Presi-  
10 dent at a rate not in excess of the annual rate of compensa-  
11 tion payable to the Assistant Secretaries of the Executive  
12 Departments.

13 *AUTHORITY OF DIRECTOR*

14 *SEC. 602.* In addition to the authority conferred upon  
15 him by other sections of this Act, the Director is authorized,  
16 in carrying out his functions under this Act, to—

17 (a) appoint in accordance with the civil service  
18 laws such personnel as may be necessary to enable the  
19 Office to carry out its functions, and, except as otherwise  
20 provided herein, fix their compensation in accordance  
21 with the Classification Act of 1949 (5 U.S.C. 1071 et  
22 seq.);

23 (b) employ experts and consultants or organiza-  
24 tions thereof as authorized by section 15 of the Admin-



1        *istrative Expenses Act of 1946 (5 U.S.C. 55a), com-*  
2        *pensate individuals so employed at rates not in excess*  
3        *of \$100 per diem, including travel time, and allow them,*  
4        *while away from their homes or regular places of busi-*  
5        *ness, travel expenses (including per diem in lieu of sub-*  
6        *sistence) as authorized by section 5 of such Act (5*  
7        *U.S.C. 73b-2) for persons in the Government service*  
8        *employed intermittently, while so employed: Provided,*  
9        *however, That contracts for such employment may be*  
10       *renewed annually;*

11            *(c) appoint, without regard to the civil service*  
12        *laws, one or more advisory committees composed of*  
13        *such private citizens and officials of the Federal, State,*  
14        *and local governments as he deems desirable to advise*  
15        *him with respect to his functions under this Act; and*  
16        *members of such committees (including the National*  
17        *Advisory Council established in section 605), other than*  
18        *those regularly employed by the Federal Government,*  
19        *while attending meetings of such committees or other-*  
20        *wise serving at the request of the Director, shall be*  
21        *entitled to receive compensation and travel expenses*  
22        *as provided in subsection (b) with respect to experts*  
23        *and consultants;*

1           (d) with the approval of the President, arrange  
2 with and reimburse the heads of other Federal agencies  
3 for the performance of any of his functions under this  
4 Act and, as necessary or appropriate, delegate any of  
5 his powers under this Act and authorize the redelega-  
6 tion thereof;

7           (e) utilize, with their consent, the services and  
8 facilities of Federal agencies without reimbursement,  
9 and, with the consent of any State or a political subdivi-  
10 sion of a State, accept and utilize the services and facil-  
11 ities of the agencies of such State or subdivision without  
12 reimbursement;

13           (f) accept in the name of the Office, and employ  
14 or dispose of in furtherance of the purposes of this Act,  
15 or of any title thereof, any money or property, real,  
16 personal, or mixed, tangible or intangible, received by  
17 gift, devise, bequest, or otherwise;

18           (g) accept voluntary and uncompensated services,  
19 notwithstanding the provisions of section 3679(b) of  
20 the Revised Statutes (31 U.S.C. 665(b));

21           (h) allocate and expend, or transfer to other Fed-  
22 eral agencies for expenditure, funds made available un-



1        *der this Act as he deems necessary to carry out the*  
2        *provisions hereof, including (without regard to the pro-*  
3        *visions of section 4774(d) of title 10, United States*  
4        *Code) expenditure for construction, repairs, and capital*  
5        *improvements;*

6            *(i) disseminate, without regard to the provisions of*  
7        *section 4154 of title 39, United States Code, data and*  
8        *information, in such form as he shall deem appropriate,*  
9        *to public agencies, private organizations, and the gen-*  
10       *eral public;*

11           *(j) adopt an official seal, which shall be judicially*  
12       *noticed;*

13           *(k) notwithstanding any other provision of law*  
14       *relating to the acquisition, handling, or disposal of*  
15       *real or personal property by the United States, deal*  
16       *with, complete, rent, renovate, modernize, or sell for*  
17       *cash or credit at his discretion any properties acquired*  
18       *by him in connection with loans, participations, and*  
19       *guaranties made by him pursuant to titles III and IV of*  
20       *this Act;*

21           *(l) collect or compromise all obligations to or held*  
22       *by him and all legal or equitable rights accruing to*  
23       *him in connection with the payment of obligations un-*

1     *til such time as such obligations may be referred to*  
2     *the Attorney General for suit or collection;*

3             *(m) expend, without regard to the provisions of any*  
4     *other law or regulation, funds made available for pur-*  
5     *poses of this Act (1) for printing and binding, and (2)*  
6     *for rent of buildings and space in buildings and for*  
7     *repair, alteration, and improvement of buildings and*  
8     *space in buildings rented by him; but the Director shall*  
9     *not utilize the authority contained in this clause (A)*  
10    *except when necessary in order to obtain an item, service,*  
11    *or facility, which is required in the proper administra-*  
12    *tion of this Act, and which otherwise could not be ob-*  
13    *tained, or could not be obtained in the quantity or quality*  
14    *needed, or at the time, in the form, or under the con-*  
15    *ditions in which, it is needed, and (B) prior to having*  
16    *given written notification to the Administrator of General*  
17    *Services (if the exercise of such authority would affect*  
18    *an activity which otherwise would be under the jurisdic-*  
19    *tion of the General Services Administration) or the*  
20    *Chairman of the Joint Committee on Printing (if the*  
21    *exercise of such authority would affect an activity which*  
22    *otherwise would be under the jurisdiction of such Com-*  
23    *mittee) of his intention to exercise such authority, the*



1        *item, service, or facility with respect to which such au-*  
 2        *thority is proposed to be exercised, and the reasons and*  
 3        *justifications for the exercise of such authority; and*

4            *(n) establish such policies, standards, criteria,*  
 5        *and procedures, prescribe such rules and regulations,*  
 6        *enter into such contracts and agreements with public*  
 7        *agencies and private organizations and persons,*  
 8        *make such payments (in lump sum or installments,*  
 9        *and in advance or by way of reimbursement, and in the*  
 10       *case of grants, with necessary adjustment on account*  
 11       *of overpayments or underpayments), and generally per-*  
 12       *form such functions and take such steps as he may deem*  
 13       *to be necessary or appropriate to carry out the provi-*  
 14       *sions of this Act.*

15                    *VOLUNTEERS IN SERVICE TO AMERICA*

16        *SEC. 603. (a) The Director is authorized to recruit,*  
 17        *select, train, and—*

18            *(1) upon request of State or local agencies or pri-*  
 19        *vate nonprofit organizations, refer volunteers to perform*  
 20        *duties in furtherance of programs combating poverty at*  
 21        *a State or local level; and*

22            *(2) in cooperation with other Federal, State, or*  
 23        *local agencies involved, assign volunteers to work (A)*

1        *in meeting the health, education, welfare, or related*  
2        *needs of Indians living on reservations, of migratory*  
3        *workers and their families, or of residents of the District*  
4        *of Columbia, the Commonwealth of Puerto Rico, Guam,*  
5        *American Samoa, the Virgin Islands, or the Trust Terri-*  
6        *tory of the Pacific Islands; (B) in the care and reha-*  
7        *bilitation of the mentally ill or mentally retarded under*  
8        *treatment at nonprofit mental health or mental retarda-*  
9        *tion facilities assisted in their construction or operation*  
10       *by Federal funds; and (C) in furtherance of programs*  
11       *or activities authorized or supported under title I or II*  
12       *of this Act.*

13       *(b) The referral or assignment of volunteers shall be*  
14       *on such terms and conditions as the Director may determine,*  
15       *but volunteers shall not be referred or assigned to duties or*  
16       *work in any State without the consent of the Governor.*

17       *(c) The Director is authorized to provide to all volun-*  
18       *teers during training and to volunteers assigned pursuant to*  
19       *subsection (a)(2) such stipend, not to exceed \$50 per*  
20       *month, such living, travel, and leave allowances, and such*  
21       *housing, transportation (including travel to and from the*  
22       *place of training), supplies, equipment, subsistence, clothing,*



1 *and health and dental care as the Director may deem neces-*  
2 *sary or appropriate for their needs.*

3       *(d) Volunteers shall be deemed not to be Federal em-*  
4 *ployees and shall not be subject to the provisions of laws*  
5 *relating to Federal employment, including those relating to*  
6 *hours of work, rates of compensation, leave, unemployment*  
7 *compensation, and Federal employee benefits, except that all*  
8 *volunteers during training and such volunteers as are as-*  
9 *signed pursuant to subsection (a)(2) shall be deemed Fed-*  
10 *eral employees to the same extent as enrollees of the Corps*  
11 *under section 106 (b), (c), (d) of this Act.*

12                   ECONOMIC OPPORTUNITY COUNCIL

13       *SEC. 604. (a) There is hereby established an Economic*  
14 *Opportunity Council, which shall consult with and advise the*  
15 *Director in carrying out his functions, including the coordina-*  
16 *tion of antipoverty efforts by all segments of the Federal*  
17 *Government.*

18       *(b) The Council shall include the Director, who shall*  
19 *be Chairman, the Secretary of Defense, the Attorney Gen-*  
20 *eral, the Secretaries of the Interior, Agriculture, Commerce,*  
21 *Labor, and Health, Education, and Welfare, the Housing*  
22 *and Home Finance Administrator, the Administrator of the*  
23 *Small Business Administration, the Chairman of the Council*  
24 *of Economic Advisers, the Director of Selective Service, and*

1 such other agency heads as the President may designate, or  
2 delegates thereof.

3 NATIONAL ADVISORY COUNCIL

4 SEC. 605. There is hereby established in the Office a  
5 National Advisory Council. The Council shall be composed  
6 of the Director, who shall be Chairman, and not more than  
7 fourteen additional members appointed by the President.  
8 without regard to the civil service laws, who shall be repre-  
9 sentative of the public in general and appropriate fields of  
10 endeavor related to the purposes of this Act. Upon the re-  
11 quest of the Director, the Council shall review the opera-  
12 tions and activities of the Office, and shall make such recom-  
13 mendations with respect thereto as are appropriate. The  
14 Council shall meet at least once each year and at such other  
15 times as the Director may request.

16 REVOLVING FUND

17 SEC. 606. (a) To carry out the lending and guaranty  
18 functions authorized under titles III and IV of this Act,  
19 there is authorized to be established a revolving fund. The  
20 capital of the fund shall consist of such amounts as may be  
21 advanced to it by the Director from funds appropriated pur-  
22 suant to section 321 and shall remain available until  
23 expended.

24 (b) The Director shall pay into miscellaneous receipts



1 of the Treasury, at the close of each fiscal year, interest on  
2 the capital of the fund at a rate determined by the Secretary  
3 of the Treasury, taking into consideration the average market  
4 yield on outstanding Treasury obligations of comparable  
5 maturity during the last month of the preceding fiscal year.  
6 Interest payments may be deferred with the approval of the  
7 Secretary of the Treasury, but any interest payments so de-  
8 ferred shall themselves bear interest.

9 (c) Whenever any capital in the fund is determined by  
10 the Director to be in excess of current needs, such capital  
11 shall be credited to the appropriation from which advanced,  
12 where it shall be held for future advances.

13 (d) Receipts from any lending and guaranty operations  
14 under this Act (except operations under title IV carried on  
15 by the Small Business Administration) shall be credited to  
16 the fund. The fund shall be available for the payment of all  
17 expenditures of the Director for loans, participations, and  
18 guaranties authorized under titles III and IV of this Act.

19 LABOR STANDARDS

20 SEC. 607. All laborers and mechanics employed by con-  
21 tractors or subcontractors in the construction, alteration or  
22 repair, including painting and decorating of projects, build-  
23 ings and works which are federally assisted under this Act

1 shall be paid wages at rates not less than those prevailing on  
2 similar construction in the locality as determined by the Sec-  
3 retary of Labor in accordance with the Davis-Bacon Act, as  
4 amended (40 U.S.C. 276a—276a-5). The Secretary of  
5 Labor shall have, with respect to such labor standards, the  
6 authority and functions set forth in Reorganization Plan  
7 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5  
8 U.S.C. 133—133z-15), and section 2 of the Act of June 13,  
9 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.  
10 276(c)).

#### 11 REPORTS

12 SEC. 608. Not later than one hundred and twenty days  
13 after the close of each fiscal year, the Director shall prepare  
14 and submit to the President for transmittal to the Congress  
15 a full and complete report on the activities of the Office dur-  
16 ing such year.

#### 17 DEFINITIONS

18 SEC. 609. As used in this Act:

19 (a) The term "State" means a State, the Common-  
20 wealth of Puerto Rico, the District of Columbia, Guam,  
21 American Samoa, or the Virgin Islands, and the term  
22 "United States", when used in a geographical sense, includes  
23 the foregoing and all other places, continental or insular,



1 *including the Trust Territory of the Pacific Islands, subject*  
2 *to the jurisdiction of the United States.*

3 (b) *The term "agency", unless the context requires*  
4 *otherwise, means department, agency, or other component*  
5 *of a Federal, State, or local governmental entity.*

6 (c) *The term "family," in the case of a Job Corps*  
7 *enrollee, means—*

8 (1) *the spouse or child of an enrollee, and*

9 (2) *any other relative who draws substantial sup-*  
10 *port from the enrollee.*

11 *PART B—COORDINATION OF ANTIPOVERTY PROGRAMS*

12 *COORDINATION*

13 *SEC. 611. (a) In order to insure that all Federal pro-*  
14 *grams related to the purposes of this Act are carried out in a*  
15 *coordinated manner—*

16 (1) *the Director is authorized to call upon other*  
17 *Federal agencies to supply such statistical data, program*  
18 *reports, and other materials as he deems necessary to*  
19 *discharge his responsibilities under this Act, and to*  
20 *assist the President in coordinating the antipoverty*  
21 *efforts of all Federal agencies;*

22 (2) *Federal agencies which are engaged in admin-*

1     *istering programs related to the purposes of this Act, or*  
2     *which otherwise perform functions relating thereto,*  
3     *shall—*

4             *(A) cooperate with the Director in carrying*  
5             *out his duties and responsibilities under this Act;*  
6             *and*

7             *(B) carry out their programs and exercise their*  
8             *functions in such manner as will, to the maximum*  
9             *extent permitted by other applicable law, assist in*  
10            *carrying out the purposes of this Act; and*

11            *(3) the President may direct that particular pro-*  
12            *grams and functions, including the expenditure of funds,*  
13            *of the Federal agencies referred to in paragraph (2)*  
14            *shall be carried out, to the extent not inconsistent with*  
15            *other applicable law, in conjunction with or in support*  
16            *of programs authorized under this Act.*

17            *(b) In order to insure that all existing Federal agencies*  
18            *are utilized to the maximum extent possible in carrying out*  
19            *the purposes of this Act, no funds appropriated to carry out*  
20            *this Act shall be used to establish any new department or office*  
21            *when the intended function is being performed by an existing*  
22            *department or office.*



1        *PREFERENCE TO COMMUNITY ACTION PROGRAMS*

2        *SEC. 612. To the extent feasible and consistent with the*  
3 *provisions of law governing any Federal program and with*  
4 *the purposes of this Act, the head of each Federal agency*  
5 *administering any Federal program is directed to give*  
6 *preference to any application for assistance or benefits which*  
7 *is made pursuant to or in connection with a community action*  
8 *program approved pursuant to title II of this Act.*

9                                *INFORMATION CENTER*

10        *SEC. 613. In order to insure that all Federal programs*  
11 *related to the purposes of this Act are utilized to the maxi-*  
12 *mum extent possible, and to insure that information con-*  
13 *cerning such programs and other relevant information is*  
14 *readily available in one place to public officials and other*  
15 *interested persons, the Director is authorized as he deems*  
16 *appropriate to collect, prepare, analyze, correlate, and dis-*  
17 *tribute such information, either free of charge or by sale*  
18 *at cost (any funds so received to be deposited to the Direc-*  
19 *tor's account as an offset to such cost), and make arrange-*  
20 *ments and pay for any printing and binding without regard*  
21 *to the provisions of any other law or regulation.*

22                                *PROHIBITION OF FEDERAL CONTROL*

23        *SEC. 614. Nothing contained in this Act shall be con-*  
24 *strued to authorize any department, agency, officer, or em-*

1 *ployee of the United States to exercise any direction,*  
 2 *supervision, or control over the curriculum, program of*  
 3 *instruction, administration, or personnel of any educational*  
 4 *institution or school system.*

#### 5 *AUTHORIZATION OF APPROPRIATIONS*

6 *SEC. 615. The Director shall carry out the programs*  
 7 *provided for in this title during the fiscal year ending June*  
 8 *30, 1965, and the two succeeding fiscal years. For the*  
 9 *purpose of carrying out this title (other than for purposes*  
 10 *of making credits to the revolving fund established by section*  
 11 *606(a)), there is hereby authorized to be appropriated the*  
 12 *sum of \$10,000,000 for the fiscal year ending June 30,*  
 13 *1965; and for the fiscal year ending June 30, 1966, and the*  
 14 *fiscal year ending June 30, 1967, such sums may be appro-*  
 15 *priated as the Congress may hereafter authorize by law.*

#### 16 *TITLE VII—TREATMENT OF UNEMPLOYMENT*

#### 17 *COMPENSATION BENEFITS AND INCOME*

#### 18 *FOR CERTAIN PUBLIC ASSISTANCE PUR-*

#### 19 *POSES*

#### 20 *UNEMPLOYMENT COMPENSATION*

21 *SEC. 701. (a) No individual who otherwise is entitled,*  
 22 *under title XV of the Social Security Act or the unemploy-*  
 23 *ment compensation law of any State, to any unemployment*  
 24 *benefit shall be denied such benefit, or have such benefit*



1 reduced, solely because he or any other person participated in  
2 any work, training, or other activity, provided by any pro-  
3 gram established by, pursuant to, or assisted under, title I or  
4 II of this Act.

5 (b) No individual shall be denied participation in any  
6 work, training, or other activity provided by any program  
7 established by, pursuant to, or assisted under, title I or II of  
8 this Act solely because he, or any other person, receives, or  
9 is entitled to receive, any benefit under any unemployment  
10 compensation law.

11 PUBLIC ASSISTANCE

12 SEC. 702. (a) Notwithstanding the provisions of titles  
13 I, IV, X, XIV, and XVI of the Social Security Act, a State  
14 plan approved under any such title shall provide that—

15 (1) the first \$85 plus one-half of the excess over  
16 \$85 of payments made to or on behalf of any person for  
17 or with respect to any month under title I or II of this  
18 Act or any program assisted under such title shall not be  
19 regarded (A) as income or resources of such person in  
20 determining his need under such approved State plan,  
21 or (B) as income or resources of any other individual  
22 in determining the need of such other individual under  
23 such approved State plan;

1           (2) no payments made to or on behalf of any per-  
2       son for or with respect to any month under such title or  
3       any such program shall be regarded as income or re-  
4       sources of any other individual in determining the need  
5       of such other individual under such approved State plan  
6       except to the extent made available to or for the benefit  
7       of such other individual; and

8           (3) no grant made to any family under title III  
9       of this Act shall be regarded as income or resources of  
10      such family in determining the need of any member  
11      thereof under such approved State plan.

12       (b) No funds to which a State is otherwise entitled  
13      under title I, IV, X, XIV, or XVI of the Social Security  
14      Act for any period before July 1, 1965, shall be withheld  
15      by reason of any action taken pursuant to a State statute  
16      which prevents such State from complying with the require-  
17      ments of subsection (a).



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# A BILL

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To mobilize the human and financial resources of the Nation to combat poverty in the United States.

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BY Mr. McNAMARA, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CHURCH, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. ENGLE, Mr. HART, Mr. HARTE, Mr. HUMPHREY, Mr. INOUYE, Mr. KENNEDY, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MCGEE, Mr. MCGOVERN, Mr. METCALF, Mr. MORSE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SMATHERS, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH

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MARCH 16 (legislative day, MARCH 9), 1964

Read twice and referred to the Committee on Labor and Public Welfare

JULY 8, 1964

Reported with an amendment







# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

Issued July 22, 1964

For actions of July 21, 1964

88th-2nd; No. 139

### CONTENTS

|                           |                            |                           |
|---------------------------|----------------------------|---------------------------|
| Administrative law.....22 | Flood control.....14       | Recreation.....26         |
| Alaska relief.....15      | Foreign agriculture.....30 | Retraining program.....24 |
| Area redevelopment.....5  | Foreign aid.....32         | River basins.....4        |
| Automation.....16         | Forest roads.....2         | Rural development.....12  |
| Coffee agreement.....11   | Health.....26              | Safety standards.....17   |
| Commodity exchange.....1  | Housing.....27             | Screwworm.....10          |
| Cooperatives.....30       | Information.....31         | Sugar quotas.....21       |
| Cotton.....19             | Lands.....33               | Taxes.....25              |
| Economy.....8             | Livestock.....10           | Textiles.....32           |
| Electrification.....29    | Military construction...18 | Transportation.....20     |
| Employment.....24         | National parks.....9,13    | Vehicles.....17           |
| Farm labor.....28         | Potatoes.....1             | Wheat.....6               |
| Farm program.....27       | Poverty.....3,23,27        |                           |
| Fiscal policy.....7       | Reclamation.....14         |                           |

HIGHLIGHTS: Senate began debate on poverty bill. Senate passed forest-roads bill. Sen. Yarborough supported ARA programs. Sen. Pearson praised ICC for improved wheat transportation. Sen. Church inserted memo from Continental Grain Co. advocating sale of wheat to Russia. Sen. Pearson criticized International Coffee Agreement. Sen. Randolph inserted Secretary Freeman's W. Va. speech. Senate passed Irish Potato futures bill. House passed Alaska relief bill.

### SENATE

1. POTATOES; COMMODITY EXCHANGE. Passed with amendment S. 332, to prohibit trading in Irish potato futures on commodity exchanges. Agreed to the Muskie amendment exempting futures initiated before enactment of the legislation if they do not mature more than 12 months after enactment. pp. 15848, 15853-62
2. FOREST ROADS. Passed as reported S. 1147, to enable the Secretary of Agriculture to construct and maintain an adequate system of roads and trails for the national forests. pp. 15862-5



3. POVERTY. Under the authority of the order of the Senate of July 8, 1964, the Committee on Labor and Public Welfare submitted a report to accompany S. 2642, the poverty bill. p. 15796  
Sen. Humphrey inserted an editorial criticizing Sen. Goldwater's views on the poverty bill. p. 15835  
Began debate on S. 2642, the poverty bill, and made this the unfinished business. pp. 15865-73  
Sen. Young of N. Dak. submitted an amendment, intended to be proposed by him, to S. 2642. ~~p. 15797~~
4. RIVER BASINS. Sen. Moss submitted an amendment, intended to be proposed by him, to S. 1658, to authorize, construct, operate, and maintain the Central Arizona project, Arizona, New Mexico. p. 15797
5. AREA REDEVELOPMENT. Sen. Yarborough praised ARA programs and inserted a series of articles. pp. 15800-803
6. WHEAT. Sen. Pearson praised ICC for the improved situation in the transportation of wheat at harvest time. p. 15805  
Sen. Church inserted a memorandum from the Continental Grain Co. setting forth the advantages of sales of agricultural products to Soviet bloc countries. pp. 15805-6
7. FISCAL POLICY. Sen. Mansfield praised the President's fiscal policies and inserted an editorial. p. 15813
8. ECONOMY. Sen. Young of Ohio urged continuing vigilance in Government economy. p. 15813
9. NATIONAL PARKS. Sen. Douglas urged passage of S. 2249, to provide for the establishment of the Indiana Dunes National Lakeshore, and inserted an article supporting his views. pp. 15814-5
10. LIVESTOCK. Sen. Yarborough inserted a letter he wrote to the Subcommittee on Agricultural Appropriations calling for continuation of the screwworm eradication program. pp. 15842-3
11. COFFEE. Sen. Pearson called for rejection of H.R. 8864, to carry out the obligations of the United States under the International Coffee Agreement, and cited the Agreement's detrimental effects on the United States. p. 15843
12. RURAL DEVELOPMENT. Sen. Randolph described Secretary Freeman's tour of W. Va. and inserted the Secretary's speech about the development of rural America. pp. 15845-8

#### HOUSE

13. NATIONAL PARKS. At the request of Rep. Gross, passed over without prejudice H.R. 5886, to put into statutory form certain policies which have heretofore been followed by the National Park Service in administering concessions within units of the national park system and in writing contracts for concessionaire services there. pp. 15875-6



of the easement for reasons of nonuse. Additional benefits accrue to the general public in that this measure, by providing for greater access, will further open up national forest lands for recreational uses.

Several amendments to the bill were proposed by the forest products industry. Forest Service representatives expressed agreement regarding the objectives of two of these amendments and offered a substitute amendment for a third, this substitute having been adopted by the committee. With regard to the other amendments, the Forest Service testified that administrative regulations would offer more flexible means of accomplishing the same goals. The Committee on Public Works has accepted the suggestions of the Forest Service on these matters. But the committee has noted that should subsequent experience demonstrate that additional legislation is needed to assure fair and equitable solutions to right-of-way problems in connection with the administration of the national forests, it is prepared to consider legislative solutions.

Mr. President, S. 1147 offers a fair and equitable solution to a longstanding problem regarding the administration of our national forests and the utilization of our natural resources. It will cost the Government nothing, and in the long run will save the Government money by facilitating cost-share agreements on road construction between the Government and private landowners. And finally, it will be a step forward in creating greater access to national forests for the benefit of the general public. I, therefore, strongly urge the Senate to pass the bill as amended.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. METCALF. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### DISCLOSURE OF FINANCIAL INTEREST—JURISDICTION OF COMMITTEE ON RULES AND ADMINISTRATION—POSTPONEMENT OF CONSIDERATION OF SENATE RESOLUTION 337 AND SENATE RESOLUTION 338

Mr. MANSFIELD. Mr. President, it is with regret that I announce to the Senate that Senate Resolution 337 and Senate Resolution 338, both reported from the Rules Committee, will not be called up this afternoon. Senate Resolution 337 is a resolution to provide disclosure of financial interest and to enumerate cer-

tain prohibited activities. Senate Resolution 338 is a resolution amending rule XXV of the standing rules of the Senate relative to the jurisdiction of the Committee on Rules and Administration.

The reason why I regretfully announce the postponement of consideration of these resolutions, which will be brought up later in the session, is that certain key Members are absent at the moment and were unable, because of circumstances over which they had little or no control, to be present at this time.

Had I known about it yesterday, I would not have announced that these resolutions would be taken up. But I assure the Senate that they will be taken up this session, before Congress adjourns sine die.

I would hope that it would be the practice of Senators to be prepared on any day from now on to face any legislation which the leadership may feel constrained to call up. The calendar is fairly clear. There is not too much in the way of legislative proposals listed. All of those which are listed have a "hold" on them or are being held back for some reason or another.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. There are key members of the Rules Committee on both sides of the aisle who found it impossible to get back to Washington. I have been on the long-distance telephone. I know the majority leader has been most diligent in hoping they would reach here in time at least to start discussion of the two proposed amendments to the rules, but frankly, it is impossible to bring them here.

I am happy indeed that the majority leader has seen fit to lay the resolutions aside until they return to the Capitol.

Mr. MANSFIELD. It is my understanding that certain commitments have been made to various Members of the Senate that they would be given more notice than they had yesterday. Therefore, such commitments will be honored.

#### ECONOMIC OPPORTUNITY ACT OF 1964

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1111, S. 2642.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Economic Opportunity Act of 1964".

#### Findings and Declaration of Purpose

SEC. 2. Although the economic well-being and prosperity of the United States have

progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

#### TITLE I—YOUTH PROGRAMS

##### Part A—Job Corps

##### Statement of Purpose

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

##### Establishment of Job Corps

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

##### Job Corps Program

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the Corps; *Provided*, That, where practicable such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.



## Composition of the Corps

SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.). Only in exceptional cases shall enrollees in the Corps be graduates of an accredited high school, and no person shall be accepted for enrollment in the Corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

## Allowance and Maintenance

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however*, That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

## Application of Provisions of Federal Law

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c)(1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined

in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee—

(i) while on authorized leave or pass; or  
(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1)) shall apply to enrollees.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strengths under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

## State-Operated Youth Camps

SEC. 107. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

## Part B—Work-training programs

## Statement of Purpose

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

## Development of Programs

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

## Financial Assistance

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local

projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however*, That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

## Enrollees in Program

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

## Limitations on Federal Assistance

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance



of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

#### Equitable Distribution of Assistance

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

#### Part C—Work-study programs

##### Statement of Purpose

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

##### Allotments to States

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103 (d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

#### Grants for Work-study Programs

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963 (Public Law 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

##### Conditions of Agreements

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or

(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed dur-

ing the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

##### Sources of Matching Funds

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

##### Equitable Distribution of Assistance

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### Part D—Authorization of appropriations

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

##### Part A—General community action programs

##### Statement of Purpose

SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

##### Community Action Programs

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof, with maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.



### Allotments to States

SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

### Financial Assistance for Development of Community Action Programs

SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

### Financial Assistance for Conduct and Administration of Community Action Programs

SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to

achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

### Technical Assistance

SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

### Research, Training, and Demonstrations

SEC. 207. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private nonprofit organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

### Limitations on Federal Assistance

SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

### Participation of State Agencies

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this part to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

### Equitable Distribution of Assistance

SEC. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; and (6) persons rejected for military service.

### Preference for Components of Approved Programs

SEC. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

### Part B.—Adult basic education programs

#### Declaration of Purpose

SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

#### Grants to States

SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or



methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

#### State Plans

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as many reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### Allotments

SEC. 215 (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not

include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

#### Payments

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

#### Operation of State Plans; Hearings and Judicial Review

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such

final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

#### Miscellaneous

SEC. 218. For purposes of this part—

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(2) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

#### Part C—Authorization of appropriations

SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

##### Statement of Purpose

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

Part A—Authority to make grants and loans  
SEC. 302. (a) The Director is authorized to make—

(1) grants of not to exceed \$1,500 to low-income rural families where, in the judgment of the Director, such grants have a reasonable possibility of effecting a permanent in-



crease in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment,

(C) participate in cooperative associations, or

(D) finance nonagricultural enterprises which will enable such families to supplement their income; and

(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, for the purpose set forth in subparagraph (a) (1) (D) of this section.

(b) Grants under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs: *Provided, however, That* nothing herein shall be construed to prevent the making of grants where appropriate in combination with or as supplements to loans under this program or other Federal programs.

#### Family Farm Development Corporations

SEC. 303. (a) The Director is authorized to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations having as their objective the improvement of the productivity and income of low-income farmers. Such corporations shall be eligible for assistance under this section if they are organized for the purpose of and have the power to acquire real property or any interest therein in rural areas, to develop or reconstitute such real property into units not larger than family farms, including necessary fences, farm buildings, land and water development, and related facilities, and to sell the farms so developed or reconstituted to low-income farm families at prices equal to their appraised value when used for agricultural purposes and in a manner that the Director determines will further the purposes of this title: *Provided, however, That* such sales shall be subject to the condition that, for twenty years from the date of sale by the corporation, upon any resale of the farm, the resale proceeds in excess of such appraised value up to the corporation's investment in the property (less the then value as determined by the corporation of any improvements placed on the farm by the purchaser from the corporation or his heirs, successors, or assigns), shall be payable to the corporation; and there is hereby created a first lien on such property running to the corporation and to the United States to secure the payment of such amounts.

(b) The Director may prescribe such rules and regulations regarding the organization, financial resources, operations, and activities of such corporations as he deems appropriate.

(c) The Director is authorized to purchase the obligations of, or make loans to, such corporations upon such terms and conditions as he may determine subject to the limitations of sections 305 and 306.

(d) The Director is authorized to make grants to such corporations in amounts sufficient to make up the deficiency between the cost of the farms developed or reconstituted by them and the net proceeds received from the sale of such farms at the prices specified in subsection (a).

#### Cooperative Associations

SEC. 304. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

#### Limitations on Assistance

SEC. 305. No financial or other assistance shall be provided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to sections 303 and 304, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

#### Loan Terms and Conditions

SEC. 306. Loans pursuant to sections 302, 303, and 304 (including obligations purchased pursuant to section 303) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

(e) with respect to loans made pursuant to sections 303 and 304, the loan is repayable within not more than thirty years; and

(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

#### Part B.—Assistance for migrant agricultural employees and their families

SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

#### Part C.—Authorization of appropriations

SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$50,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

#### TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

##### Statement of Purpose

SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

#### Loans, Participations, and Guarantees

SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however, That* no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

#### Coordination With Community Action Programs

SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

#### Financing Under Small Business Act

SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

#### Loan Terms and Conditions

SEC. 405. Loans made pursuant to section 402 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations—

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however, That* the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.



#### Limitation on Financial Assistance

SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

#### Duration of Program

SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

#### TITLE V—WORK EXPERIENCE PROGRAMS

##### Statement of Purpose

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

##### Payments for Experimental, Pilot, and Demonstration Projects

SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a)(1) to (6), inclusive, of such Act (42 U.S.C. 609(a)(1)-(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

##### Authorization of Appropriations

SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE VI—ADMINISTRATION AND COORDINATION

##### Part A—Administration

##### Office of Economic Opportunity

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332-3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establish-

ment elsewhere in the executive branch as he deems appropriate.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

##### Authority of Director

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) Appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the pro-

visions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustment on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

##### Volunteer in Service to America

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities as-



sisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

(b) The referral or assignment of volunteers, shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), (d) of this Act.

#### Economic Opportunity Council

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### National Advisory Council

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### Revolving Fund

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may

be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under title III and IV of this Act.

#### Labor Standards

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### Reports

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### Definitions

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

- (1) the spouse or child of an enrollee, and
- (2) any other relative who draws substantial support from the enrollee.

#### Part B—Coordination of antipoverty programs

##### Coordination

SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

(B) carry out their programs and exercise

their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

#### Preference to Community Action Programs

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### Information Center

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### Prohibition of Federal Control

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### Authorization of Appropriations

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE VII—TREATMENT OF UNEMPLOYMENT COMPENSATION BENEFITS AND INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

##### Unemployment Compensation

SEC. 701. (a) No individual who otherwise is entitled, under title XV of the Social Security Act or the unemployment compensation law of any State, to any unemployment benefit shall be denied such benefit, or have such benefit reduced, solely because he or any other person participated in any work, training, or other activity, provided by any program established by, pursuant to, or assisted under, title I or II of this Act.



(b) No individual shall be denied participation in any work, training, or other activity provided by any program established by, pursuant to, or assisted under, title I or II of this Act solely because he, or any other person, receives, or is entitled to receive, any benefit under any unemployment compensation law.

#### Public Assistance

SEC. 702. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under

such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or

XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

#### ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 49 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 22, 1964, at 12 o'clock meridian.



# House of Representatives

TUESDAY, JULY 21, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Peter 4: 8: *And above all things have fervent charity among yourselves.*

O Thou God of all grace and goodness, to whom we must look for wisdom and understanding, for light and leading, may each day be filled with new expectations and hopes, with new desires and strong determinations to build a better world.

Grant that in the structure of a nobler civilization we may be intent upon applying the moral and spiritual principles of the Sermon on the Mount to all our economic, social, and political affairs, and may the selfish rivalry among the nations be supplanted by the spirit of fellowship.

May we have a faith that is strong and courageous enough to sustain us as we meet the challenge of this tremendous adventure of establishing a world order that is more magnanimous and brotherly.

Hear us in the name of the Prince of Peace who will be with us in all our plans and purposes to achieve the more abundant life for ourselves and all mankind. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 393. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H.R. 4177. An act to authorize the Secretary of the Army to convey to the city of St. Paul, Minn., all right, title, and interest of the United States in and to certain lands heretofore conveyed to such city;

H.R. 6299. An act to authorize the Secretary of the Navy to produce and sell crude oil from the Umiat field, Naval Petroleum Reserve No. 4, for the purpose of making local fuel available for use in connection with the drilling, mechanical, and heating operations of those involved in oil and gas exploration and development work in the nearby areas outside Naval Petroleum Reserve No. 4, and for other purposes;

H.R. 7248. An act to change the designated use of certain real property conveyed by the Department of the Air Force to the city of Fort Walton Beach, Fla., under the terms of Public Law 86-194;

H.R. 7499. An act to authorize the Secretary of the Air Force or his designee to convey 0.26 acre of land to the city of Oroville, Calif.;

H.R. 10322. An act to extend the provisions of the act of August 11, 1959, Public Law 86-

155, as amended (74 Stat. 396) to provide improved opportunity for promotion for certain officers in the naval service;

H.R. 10736. An act to authorize the Secretary of the Navy to adjust the legislative jurisdiction exercised by the United States over lands comprising the U.S. naval hospital, Portsmouth, Va.; and

H.J. Res. 888. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the 91st annual session of the Imperial Council, Ancient Arabic Order of the Nobles of the Mystic Shrine for North America, to be held in Washington, D.C., in July 1965, to authorize the granting of certain permits to "Imperial Shrine Convention, 1965, Inc.," on the occasions of such sessions, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 7381. An act to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes;

H.R. 8954. An act to amend section 409 of title 37, United States Code, to authorize the transportation of house trailers and mobile dwellings of members of the uniformed services within the continental United States, within Alaska, or between the continental United States and Alaska, and for other purposes; and

H.R. 9021. An act to authorize the conveyance of two tracts of land situated in Salt Lake City, Utah, to the Board of Education of Salt Lake City.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2339. An act conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of Sarpy County, Nebr.;

S. 2369. An act to retrocede to the State of Kansas exclusive jurisdiction over certain State highways bordering Fort Leavenworth Military Reservation and the U.S. Penitentiary at Leavenworth; and

S. 3001. An act to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services.

## CIVIL AERONAUTICS BOARD

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, volumes have been written about the operation of the regulatory agencies of Government. Much of the comment has been about the fact that Congress created these agencies independently and that it must leave them free to regulate independently. Comments continue to appear in the

press about very determined efforts from Capitol Hill to influence the Civil Aeronautics Board. It is well to reaffirm the fact that we have commanded the Civil Aeronautics Board to make decisions in accordance with its best judgment. It is composed of honorable men, appointed by the President and confirmed by the Senate. It is my pleasure personally to know well its Chairman, the Honorable Alan Boyd, of Florida. He is a man of highest integrity and principles. I know that he has exercised his judgment honestly and for the good of the Nation as a whole. Without intending at all to comment on the merits of the matter decided by the Board, I commend the Board for its courage and the strength of its convictions as reflected in its deliberations and decisions.

## TERROR IN THE STREETS

(Mr. BENNETT of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Speaker, the distressing rise in crime rates revealed by FBI Director J. Edgar Hoover yesterday presents strong evidence that this country should make its major attack on a bipartisan basis against terror in the streets in our beloved country. There should be nothing partisan about this effort and we should all try to find ways to bring about the much-needed improvements.

I suggest that the condoning of violation of law by many segments of our society in behalf of reforms in civil rights is a major factor in the present disregard of law in our country. So I feel that the first thing that needs to be done is to make it crystal clear that it is not in accord with the security or the best interest of our country for people to violate laws, even when they are attempting to put across or to forward legislative changes. Now is a time for cool heads on this subject.

Any reforms or changes which are to be made should be presented in the courts of law if they are judicial matters, or in the legislative branch if they are legislative. Where the Constitution is involved, the constitutional processes of amending the Constitution should be relied upon. In no case should the people violate the law or condone the violation of the law to forward or to retard the changes they may seek. As Senator RUSSELL recently said: "Violence and law violation will only compound our difficulties and increase our troubles."

There should be no more lying in the streets and no more baseball bats and ax handles. Civil violence is anti-







July 22, 1964

committee with amendment S. 49, to provide for establishment of the Alaska Centennial Commission to assist in the 1967 centennial of the purchase of Alaska. p. D577

14. BOTANICAL GARDEN. A subcommittee of the Judiciary Committee voted to report to the full committee with amendment H. R. 9893, to provide a Federal charter for the National Tropical Botanical Garden. p. D577

SENATE

15. POVERTY. Continued debate on S. 2642, the poverty bill. pp. 16055-69, 16072-91, 16100-110, 16113

Agreed to limit debate to 1 hour on each amendment (except to 1½ hours on an amendment submitted by Sen. Javits to provide for effective participation of States in programs under the bill) and to 4 hours on the bill. pp. 16100, 16103

Also agreed to amendments of a technical, corrective nature by Sen. McNamara (p. 16063), to an amendment by Sen. Prouty to bar inquiry concerning political affiliation or belief of any enrollee or applicant for enrollment in the Job Corps and to bar the staff from political activities except as are allowed by present law (p. 16102-3), to an amendment by Sen. Smathers to require submission of plans to the Governor of any States where a youth camp is to be established (p. 16103).

Sen. Brewster proposed an amendment, which he later withdrew, that would have indemnified dairy farmers who have been forced to remove their milk from the market because of chemical residues. pp. 16105-110

Sen. Yarborough discussed specifically the programs to combat poverty in rural areas. pp. 16074-77

Sen. Bartlett inserted a resolution of the Conference of Native Organization supporting the poverty program. pp. 16032-3

16. WATER RESOURCES. Sen. McGovern urged implementation of Public Law 88-379, the Water Resources Research Act, and inserted the President's statement issued when it was signed. pp. 16099-100.

17. CREDIT UNIONS. Passed without amendment H. R. 8313, to repeal the D.C. Credit Unions Act, to convert credit unions incorporated under the Act to Federal credit unions. This bill will now be sent to the President. p. 16104

18. FOREIGN AID. Sen. Carlson submitted for himself and others amendments, intended to be proposed by them, to H. R. 11380, the foreign-aid authorization bill. p. 16021

19. FISCAL POLICY. Sen. Mansfield inserted an editorial praising the fiscal policies of the Johnson Administration. pp. 16021-2

20. PLATFORM. Sen. Dirksen inserted the Republican Party platform which includes sections entitled "Betrayal of the Farmer," and "Fiscal Irresponsibility." pp. 16023-8

21. PERSONNEL. Sen. Metcalf inserted a letter supporting H. R. 7381, the dual employment and dual compensation bill. pp. 16030-1

22. WHEAT. Sen. Mundt urged an investigation of "reports that our wheat is being transshipped to Cuba" and inserted a news release of the Veterans of Foreign Wars urging suspension of shipments pending an investigation. pp. 16046-7



23. FOREIGN TRADE. Sen. Young, N. Dak., inserted a memo from FAS listing the value of agricultural exports to Russia and other East European Communist countries. pp. 16046-7
24. EDUCATION. Sen. Hartke discussed his bill, S. 2490, to provide assistance for students in higher education, and inserted a radio editorial outlining the economics of higher education. p. 16032
25. ADMINISTRATIVE PROCEDURE. The Judiciary Committee reported with amendments S. 1666, to amend Sec. 3 of the Administrative Procedure Act, Chap. 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information (S. Rept. 1219). p. 16020

#### ITEMS IN APPENDIX

26. APPALACHIA. Extension of remarks of Rep. Auchincloss questioning certain facts and statistics of the proposed Appalachian program. pp. A3817-9
27. WHEAT. Extension of remarks of Rep. Rumsfeld and insertion of an editorial calling for investigation of charges that Russia is shipping wheat to Cuba. p. A3821
28. POVERTY. Rep. Westland extended remarks and inserted his newsletter "Independence and Poverty," objecting to Federal encroachment in general and the proposed poverty program in particular. pp. A3822-3

#### BILLS INTRODUCED

29. FOREST LANDS. H. R. 12012, by Rep. Quillen, to authorize the Secretary of the Interior to accept the transfer of certain national forest lands in Cocke County, Tenn., for purposes of the Foothills Parkway; to Agriculture Committee
30. HOLIDAY. H. R. 12013, by Rep. St. Onge, making the day on which electors of President and Vice President and Members of Congress are elected a legal holiday; to Judiciary Committee. Remarks of author, pp. A3841-2
31. WHEAT. H. R. 12018, by Rep. Hagan, Ga., to encourage the industrial utilization of wheat products; to Agriculture Committee.

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#### COMMITTEE HEARINGS JULY 23:

Public Law 480 operations, H. Agriculture (exec).  
Foreign aid appropriations, S. Appropriations (exec).  
Housing bill, S. Banking and Currency (exec).  
FPC regulation of REA cooperatives, S. Commerce.  
Amendments to Administrative Procedure, S. Judiciary.  
Establish Commission on Automation, S. Labor (exec).  
Appalachian bill, H. Public Works (exec).  
Poverty bill, H. Rules.

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gallop, rather than pressing their horses against them. According to the Sun, the horses bowled the demonstrators over like tenpins, and one woman was cut by a flying hoof.

The Washington Post reported that all told some 45 refugees were injured. My assistant informed me that the police continued to pursue the demonstrators far to the rear of the Navy Building, several hundred yards away from the Pan American Building.

The Washington police force has earned an enviable reputation for its ability to handle demonstrations of all hues without incident. In dealing with Nazis and Communists as well as with democratic critics of various Government policies, they have displayed restraint and tact and understanding. It is most unfortunate that their reputation for dealing with crowds should have suffered its first major lapse in dealing with the refugees from Communist Cuba.

I have heard that the police were under rigid instructions to keep the demonstrators more than 500 feet away from the Pan-American Building. There is, it is true, a District of Columbia statute that empowers the police to take such action. But this is a statute that has in the past been very flexibly interpreted. After all, as I have said, hardly a week goes by without some kind of demonstration on the sidewalks of Pennsylvania Avenue only a few feet removed from the White House grounds.

In the case of yesterday's demonstration in particular, I think the police should have been guided by flexibility rather than rigidity. The demonstrators were not there to assault the OAS. They simply wanted the delegates to the OAS to see them. I am certain that they would have been satisfied if the police had permitted them to demonstrate in the park across from the Pan-American Building. Unfortunately, this was not done. The result was the distressing photographs and stories which appeared in this morning's newspapers.

I feel that the Washington police, by this action, have tarnished their reputation for tact and restraint in the handling of demonstrators. I do not know whether this was due to bungling at police level or to orders from a higher level. But it is a sorry situation when people who come to Washington to demonstrate for the freedom of Cuba are pushed around in this manner.

I am asking the Washington Police Department and the Cuban refugee leaders for their respective accounts of yesterday's events. I am also asking the State Department whether it issued any instructions relative to the handling of yesterday's demonstration. If the evidence indicates the need for further clarification, I intend to ask for a formal investigation for the purpose of establishing the facts.

tion to combat poverty in the United States.

Mr. McNAMARA. Mr. President, I ask unanimous consent that such additional staff members as the Committee on Labor and Public Welfare may find necessary to have present in the Chamber may be authorized to have the privilege of the floor during consideration of the bill (S. 2642).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, I am privileged to bring before the Senate the Economic Opportunity Act of 1964 and to urge its approval.

Today in America we are confronted by a strange paradox: We have serious poverty in the midst of plenty.

As a nation, our standard of living has never been higher. Our personal income, gross national product, and employment have never been higher. Total unemployment and the cost of living, in the face of a rapidly increasing population, have held the line.

Yet, as we go behind the glittering showcase of our booming national economy and probe beneath the sense of well-being and even complacency enjoyed by so many Americans, we find a disturbing situation.

We find millions of Americans whose economic, educational, and social conditions are such that they can only be classed as poverty stricken.

These are the hidden Americans.

There was a time in our Nation's history when the wealthy were the hidden Americans—purposely isolated in their walled estates, country clubs, and a closed society from the great majority of our citizens.

But as our standard of living has increased—as more and more persons are able to enjoy the pleasures of leisure and of material comfort that higher income and living standards provide—such artificial barriers have tumbled.

And as the general standard of living has increased, those at the bottom of the economic scale have tended to become the hidden Americans.

They are hidden in the welter of statistics which show our employment and economy at the highest levels in history.

They are hidden because they have exhausted their unemployment compensation and are no longer counted in that category.

They are hidden on the farms and in rural areas where more than 4 million families struggle along on less than \$250 a month.

They are hidden in the slums of the cities, carefully screened off from the business and residential areas.

They are hidden because too much of America does not want to see them.

But they are there.

They are born, they live, they try, and too often they die in the same circumstances of abject poverty into which they were born.

It is this condition of poverty—poverty in the midst of plenty—that the legislation now before us is intended to attack.

The Economic Opportunity Act of 1964, proposed by President Johnson and

now spelled out in S. 2642 as approved by your committee, is not a welfare program.

It is not a program of handouts aimed at merely helping people to continue to exist.

It is a program whose goal is to help permanently correct the conditions under which poverty lives and breeds.

There is, of course, more to poverty than starvation and squalid slums.

There is the poverty of low income, the poverty of underemployment, and the poverty of being an older worker whose abilities have been bypassed by technological advances.

There is the poverty of despair, as the individual sees little or no chance of improving his circumstances in his lifetime. He walks on a treadmill of hopelessness and passes on this heritage of hopelessness to his children.

Through this legislation we intend to replace this feeling of no hope with new hope.

We intend to help people break out of the disastrous rut dug by their environment.

The rewards will be great.

In addition to helping to lift individuals and their families from the personal degradation and desperation of poverty, we will be strengthening our national economy.

As President Johnson said in his message to the Congress on this program:

If we can raise the average earnings of 10 million among the poor by only \$1,000 we will have added \$14 billion a year to our national output. In addition we can make important reductions in public assistance payments which now cost us \$4 billion a year, and in the large costs of fighting crime and delinquency, disease and hunger.

No one pretends that this legislation before us will fully solve the problems of poverty.

But it is a start. However, as President Johnson pointed out, it is more than a beginning. It is a commitment that this Nation will use its resources to achieve victory over this enemy.

S. 2642 proposes programs which, during the first year of the war on poverty, will expand opportunities for young men and women to gain the education, skills, and experience they must have to become full participants in our society and stable parents in years to come; stimulate our communities to initiate local action programs to attack the roots of poverty; help rural families now destitute to increase their income through a program of small capital grants and loans; provide a sounder base for the rehabilitation of poor areas of our great cities by expanding small business activities; provide special programs for undereducated adults and migratory agricultural workers; encourage more States to use public assistance as an instrument for helping families lift themselves out of poverty; recruit and train volunteers who will help carry out the war on poverty.

Just as space and other imaginative programs pay hidden dividends, so the war on poverty will pay immediate monetary returns.

The visible cost of not adopting this program, in terms of direct public as-

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Na-



sistance payments alone, is \$5 billion per year.

In addition to these direct payments, the indirect costs of poverty to this country which show up in juvenile delinquency, crime, health hazards, and higher police and fire protection take billions more.

This bill adopts a coordinated approach because poverty has multiple causes:

Title I of the bill concentrates on problems of youth, and especially on the problem of the youth trying to get the skills with which he can find a decent job.

Title II concentrates on poor communities and will stimulate and help them to undertake, through the efforts of local government and organizations and local people, concrete programs to attack local causes of poverty, whether they be inadequate education, poor health care, dilapidated housing, or insufficient family services.

Title III of the bill concentrates on rural families, where the most destitute of the Nation's poor are found.

Title IV concentrates on small business, which is so essential to employment opportunities in parts of our great cities.

Title V concentrates on helping the public assistance recipient, and other needy persons, develop new skills which will make them employable.

Under title I are three youth programs designed to create new opportunities and to expand the existing opportunities for young people to obtain work, education, and training.

Part A of title I authorizes the establishment of a Job Corps to prepare young men and women for the responsibilities of citizenship and employment.

The Job Corps is designed to serve the needs of hundreds of thousands of rural and urban young Americans who are out of school and out of work or who are employed in dead-end jobs.

The Job Corps will seek to enroll those young persons, age 16 through 21, for whom the best prescription is a change in surroundings and associations.

Individuals who have not been graduated from an accredited high school may be enrolled only when further attendance is any regular academic vocational or training program is impractical.

To those who volunteer and are selected, the Job Corps will offer a rewarding opportunity for education, vocational training, useful work, recreation and physical training, and other appropriate activities welded into a carefully designed program.

Enrollees in the Job Corps will live in either conservation or training centers in rural or urban areas.

Both will be residential.

The conservation centers of approximately 100 to 200 volunteers each will offer a healthy out-of-doors life where the discipline of work and new skills will be learned, while our Nation's parks, forests, and other natural resources are improved.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. McNAMARA. I yield.

Mr. LAUSCHE. What will the annual cost per enrollee in the Job Corps be?

Mr. McNAMARA. The figures for the total cost of the bill are on each Senator's desk. I shall come to finances later in the speech, if the Senator will allow me to continue. We have the figures. I shall be glad to give the Senator the figures later.

The training centers will be larger, and many will use excess Government facilities.

Voluntary leadership on the part of enrollees in the Volunteers in Service to America—VISTA—program will play an important role in Job Corps centers.

The work-training programs in title I, part B, are designed to give employed young men and women aged 16 to 21—including both those in school and those out of school—a chance to break out of poverty.

It would provide them with an opportunity to work and to give them a training experience not now available to them in private employment or under any existing Federal program.

It is anticipated that the administration of this part will give particular attention to work programs which will enable young people to maintain regular high school attendance or return to high school if they have already dropped out.

The work offered young men and women in this program will increase their employability by enabling them to acquire new work habits on a job.

Attention will also be given to counseling during, and job placement after, the work training period.

Programs under the training scheme can only be sponsored by State or local public agencies or by private nonprofit agencies.

The kinds of jobs on which the young people will work are varied.

They may work in occupations for which there is a greatly increased demand in the public and the private nonprofit sectors, such as auto mechanics, office workers, draftsmen trainees, cook's assistants, nurse's aids, and hospital orderlies.

They may also be employed in occupations related to the development of recreation facilities, the conservation of natural resources and neighborhood improvement projects.

All of the jobs will provide important services and should be designed to increase the employability of the youth.

In no instances will the youth thus employed replace others already now employed.

College work-study programs authorized under title I, part C, are designed to provide basic financial assistance through part-time employment for the able but needy college student, or potential college student.

The Director will coordinate these programs with the Department of Health, Education, and Welfare.

Execution of the programs will be the responsibility of the participating institution of higher learning.

Many more able students from poor families would be able to enter any complete college, if they could depend on part-time work during the college year, and full-time employment during vacation periods to supplement limited loan

or scholarship support from the college or university itself.

Under authorizations proposed in this part, part-time and vacationtime work opportunities would be provided for more than 140,000 students from low-income families per year.

Federal funds will be distributed among States according to a three-factor formula: the full-time college enrollment—the number of high school graduates—and number of children 18 years and under from families with incomes under \$3,000 per year in each State as compared with the national total.

Each participating institution will be encouraged to develop two types of employment opportunities: on-campus employment in a wide variety of occupations, and off-campus employment under agreement with public or nonprofit organizations.

In this way the college can help meet the financial needs of the student, the student gains valuable work experience, and the community gains talented and highly motivated student assistance in a variety of service jobs.

In addition to being enrolled or accepted for enrollment in an institution of higher education, the student must come from a low-income family and be in need of financial assistance.

S. 2642 recognizes that the war against poverty, while a national effort, must be carried out through action in the community.

Title II emphasizes the role of the local organization in developing, as well as conducting, the action program.

This legislation sees the role of the Federal Government as providing counsel and help, upon request of local community organizations.

It is based on the belief that local citizens know and understand their communities best, and that sustained and vigorous leadership can only come from them.

Because of the diverse nature of the poverty problem in widespread communities, as much flexibility as possible will be left to community civic and local organizations.

A basic criterion, however, is that the programs receiving Federal support must not treat the poverty condition symptomatically, but must attack the root of the problem in a way that promises a final solution.

The organizations engaged in these community action projects may be public or nonprofit private agencies, or a combination of the two.

Participation by the widest range of community organizations will be encouraged, provided, of course, that the programs they offer are available without discrimination throughout the community.

Settlement houses, citizens' associations, YMCA's and YWCA's, parents' organizations, labor unions, chambers of commerce, and similar organizations are examples.

The second part of title II is a basic education program for adults, which provides for grants to States to provide literacy and other elemental training.



Title III, part A, holds out to the 1,500,000 impoverished American families living on farms, the opportunity to qualify for grants up to \$1,500 for the acquisition or improvement of property that would enhance their earning ability.

Loans up to \$2,500 are authorized for rural families' aid in financing non-agricultural enterprises that supplement their farming income.

The Director is also empowered to provide assistance to nonprofit corporations, to acquire lands to be reconstituted into family farms, and may make loans to low-income family cooperatives.

Part B of this title establishes a program of assistance to migrant farm laborers and their families, proffering benefits in housing, sanitation, education and child day care.

Title III is to be administered by the Department of Agriculture.

Under title IV, which would be administered by the Small Business Administration, the Director would be authorized to make, participate in or guarantee loans to \$25,000 for small businesses, with emphasis upon loans to assist business which would employ the long-term unemployed.

Terms would be more liberal than those normally offered by the Small Business Administration.

Title V will authorize the Director to transfer to the Health, Education, and Welfare Department funds to finance experimental, pilot or demonstration projects leading to programs providing constructive work experience or training for unemployed fathers and the needy.

The Director is authorized under title VI to recruit, select, and train volunteers to take part in the war on poverty.

This program, to be called Volunteers in Service to America, or VISTA, will provide workers for the Job Corps, community action, and work-training programs.

Finding its origin in the Peace Corps which has attracted thousands of competent volunteer workers, VISTA will play a major part in the war on poverty.

Volunteers will participate as aids, teachers, counselors, and advisers.

They will assist in carrying out other Government programs on Indian reservations and in the Trust Territories.

And they can be assigned on request to State and local agencies working on problems of poverty.

VISTA recruits would receive \$50 per month, in addition to living, travel, clothing and leave allowances.

Volunteers will normally enroll for a 1-year term with an opportunity to re-enroll for a second year.

The volunteers will not be assigned to duties in any State without the consent of the Governor.

The legislation I have described is a realistic approach to the war on poverty.

These are feasible programs, because they have been planned with the help of businessmen, educators, social workers, and labor leaders.

Five Cabinet officers have given their assistance.

The goals set for this first year are realistic, down-to-earth appraisals of what can be done effectively and efficiently.

By adopting the Economic Opportunity Act of 1964, we will affirm that it is the policy of the United States to eliminate the paradox of poverty in the midst of plenty.

We will help open to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity.

Mr. President, in answer to the question of the Senator from Ohio the estimated cost of each enrollee in the job corps in the first year is \$4,700. However, the figure of \$4,700 a year creates an erroneous impression, in that it includes the initial capital investment cost for the first year of approximately \$65 million, all of which cannot logically and realistically be charged against the training program for the first year. This will be the original investment, and naturally it will carry through for years to come.

I yield the floor.

Mr. TOWER. Mr. President, I rise in opposition to the so-called poverty bill.

Rather than pretend that this is reasonable legislation, or legislation which merits the attention and consideration of the Senate, an issue upon which reasonable men may disagree and debate, I believe I must call the measure what it is; namely, a politically oriented grab bag. I do not believe it was well considered. I think it was hastily drawn. It is composed of many visionary programs, plans, and projects which I do not believe are practical.

I do not believe that the bill is addressed to the real problem.

There are a few facts to which I believe we should call attention. I intend to read most of the minority views into the RECORD today, because Senators have not had adequate time to study or consider what has come out of the committee, or to consider the minority position.

Of course, nobody is in favor of poverty. We can all say we are against poverty. Just as we are for motherhood and Sunday school, we are opposed to sin and opposed to poverty. We can all agree on that and achieve a degree of unanimity in the Senate that does not exist on most issues.

This term can also be used emotionally for political purposes. In the present instance, the war on poverty has become election demagoguery. Dozens of Presidents and Congresses have been dealing with this subject for years. We are not merely discussing poverty. We know that poverty has been with us for a long time. Thousands of local and State civic and charitable organizations are already in the fight with billions of dollars. America already spends \$66,500 million a year for welfare and education programs on the Federal, State, and local levels. That is more than 66 times the amount now suddenly sought by President Johnson in this election year.

The only thing that will serve the purpose in the long run is the creation of new jobs within the framework of our private enterprise system. It occurs to me that if the administration really wanted to do something to alleviate poverty, it would make sure that the private enterprise system operated in a healthy climate; and that it was not hamstrung by Government regulation,

confiscatory taxation, and oppressive rules and regulations. If the free enterprise system were allowed to work, it would go a long way toward mitigating and ameliorating poverty in the United States.

In the final analysis, the only effective way to attack poverty is to create jobs. The only way to create jobs is to restore the confidence of the businessmen of the country in the Government of the United States. In short, we must create a favorable political climate for expanded investment of private capital. This would result in the creation of new productivity, new jobs, and higher levels of consumption, which again constitute a stimulant to the production of more new jobs.

So if we would really let the free enterprise system work, rather than use business as a whipping boy and scapegoat, we could really do something to eliminate poverty.

It has been noted by Assistant Secretary of Labor Daniel P. Moynihan that welfare rots people. People who are accustomed to being on the dole, who are accustomed to being dependent on the Federal Government to help them, often become indolent and lazy and do not seek work.

We know that many people are impoverished because of circumstances over which they have absolutely no control. Toward those people we are sympathetic. We must provide assistance where genuine need exists.

But in some areas that are referred to as impoverished areas, or depressed areas, areas where poverty exists, businessmen have found it difficult to persuade people to accept employment. They have sometimes found that as many as three generations of a family are on the dole. So very often the Government actually encourages poverty with its programs.

The bill before the Senate is not calculated to get at the problem, but would actually compound the problem and make it worse. It would have the effect of building in poverty in some areas. For example, the bill seeks to keep alive small, unprofitable agricultural operations. That seems to me to be the height of folly. What ought to be done is to move steadily, as we have historically, toward other, more efficient methods of production, and toward the elimination of small, unprofitable operations. In that way, the people will prosper more. In reality, that would be a continuation of the industrial and economic revolution of the past century, which is a historical trend that we should not try to reverse. If we do, we do not do anything to elevate the conditions of mankind in this country, but rather hold them back.

The most objectionable aspect, or at least a major objectionable aspect, of President Johnson's plan is the creation of a Federal poverty czar, who would have absolute authority to use public funds and waste public funds for political purposes. I see great danger in that. We are asked to create an agency that could use funds and programs for political purposes. Some protection should be provided, as is done in the many welfare functions that are administered by



various agencies of the government. When a czar is created, possessing all discretionary authority, and perhaps having the power to intrude into the affairs of the departments and agencies, it is quite obvious that a politically oriented agency has been established in the Executive Office.

Under the so-called poverty bill, State and local governments would be bypassed. Many of the President's specific requests under the poverty umbrella are certainly old, discredited programs resurrected from the depression era. They have come forth in the President's proposal with new dress and new personality, but would cost infinitely more than did the programs of the 1930's.

Under title I, the youth program, it is proposed to establish a job corps. Why not be honest and call it what it is? It is merely a renaming of the old Civilian Conservation Corps of the 1930's. That is precisely what it is. It is a plan to establish camps in the country or centers in the cities. It is called a vocational training conservation camp. Actually, it is the old CCC all over again, with one difference: It has gone coeducational. It is now proposed to include girls as well as boys in the program. So, perhaps in pursuance of the Civil Rights Act, there will not be discrimination because of sex.

Mr. RANDOLPH. Mr. President, I am sure the able Senator from Texas did not mean to imply, while speaking on the matter of the re-creation of the Civilian Conservation Corps, that if a program had merit for boys, it also had merit for girls. There is a problem differential that should be recognized.

Mr. TOWER. I am not sure that I understand the thrust of the Senator's question. I was not complaining of co-education. I was pointing out that there is a difference between the 1964 program and the program of the thirties.

Mr. RANDOLPH. Mr. President, would the Senator from Texas object to a program that would embrace the methodology of the Civilian Conservation Corps being extended to girls as well as to boys?

Mr. TOWER. Yes. I object to the entire program. However, if it is being extended to boys, I think it should be extended to girls. I think they should have as much access to programs of this type as do the young men. I do not criticize that aspect of it. I merely point out that that makes it somewhat different from the program of the thirties.

Mr. RANDOLPH. However, the very fact of change is the most important element in our world of change.

Mr. TOWER. The Senator from Texas has three daughters and no sons. If the Senator from Texas is defeated in 1966, he might well come within the purview of the benefits offered by the aid-to-poverty bill. Therefore, I am glad to include ladies as well as gentlemen.

Mr. RANDOLPH. The Senator from West Virginia is not as young as the Senator from Texas. Therefore, my two sons are older than the daughters of the Senator from Texas. But if they were of comparable age, we might have them meet on a happier occasion.

I was facetious to a degree in the other matter, although not wholly so. I agree that if a program is good, and if it is a workable program, it should embrace boys as well as girls. We believe that this program could do just that. What concerned me was the disparagement of the Civilian Conservation Corps, which was created by Congress in the thirties.

As one of those in the Congress at that time who supported the creation of the original Civilian Conservation Corps, I believe it was one of the most beneficial programs ever enacted for the building of boys into better men and more worthwhile citizens.

I talked briefly and informally a few minutes ago with the Senator from Illinois [Mr. DIRKSEN]. We served together in the House. He supported the Civilian Conservation Corps, as I did. We find that sometimes we need to have new answers to old problems. But sometimes we also can answer these new problems with an old instrumentality. So, at least in part, the idea of the Civilian Conservation Corps is one which is as applicable in 1964 as it was in the 1930's.

Mr. TOWER. The Senator is taking a highly conservative view of this measure when he suggests the use of old solutions for new problems. That is what some of us have been advocating for some time. We are glad to have the Senator from West Virginia join our ranks.

Mr. RANDOLPH. I was referring to the Senator from Illinois [Mr. DIRKSEN], who is of course able to take care of himself. He would not mind my speaking on this subject in his absence from the floor.

I disagree—in good humor, but vigorously—with the premise of the Senator from Texas that if there is embodied in the present proposal the re-creation in part of the Civilian Conservation Corps that it would be legislation not in the public interest. I consider the provisions of the bill relating to our youth to be definitely in the public interest. This is not conservatism. It is a recognition of modern need and a requirement of our time.

Mr. TOWER. Mr. President, I do not think it is necessary to debate the effectiveness of the Civilian Conservation Corps program of the thirties. We are looking at the problem that we consider exists in the sixties, some 30 years later. I would note that in the thirties, the country was suffering from a massive depression. It was not merely a matter of a pocket of poverty that we were dealing with, or pockets of poverty. We were dealing with a nation that had economically gone into a precipitous decline. There was vast unemployment. Private industry was not able to accommodate the vast number of unemployed. Perhaps the solutions that are available to us now were not available at that time.

It is proposed to place 100,000 young people in this young program in the second year of the program. We would train them to be conservationists. I do not know what percentage would receive vocational training and what percentage

would receive conservation training. But if a substantial number are supposed to receive conservation training, we shall have more conservationists than we can use. We already have many trained conservationists. Private companies, like the big lumbering companies, have been working on conservation. Both the Federal and State governments have been active in the field of conservation.

There is not the need for conservation now that there was then. Nor is there the need for this kind of training or program.

Mr. RANDOLPH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NELSON in the chair). Does the Senator from Texas yield to the Senator from West Virginia?

Mr. TOWER. I yield to the Senator from West Virginia, with the understanding that I do not lose my right to the floor.

Mr. RANDOLPH. Mr. President, I believe it is important that the RECORD reflect that in the 86th Congress the Senate passed such a bill. Again in the 88th Congress, in 1963, this body also approved a Youth Conservation Corps bill. On two occasions within recent years, including 1963, the Senate expressed its support of the program which was presented by the Senator from Minnesota [Mr. HUMPHREY] with numerous other Senators as cosponsors, including the Senator from West Virginia. I believe that this phase of the proposed legislation has majority support within the membership of this body. It is not a narrowly partisan support, but is broadly based, just as the program in the 1930's had support. Even today we can find evidences of the work on the projects which were brought into being at that time. They still exist and benefit the communities, the States and the Nation as a whole.

The junior Senator from Texas has referred to the number of vocational education students that would be among the enrollees and the number of conservationists that might come from the enrollees. I believe we can agree that the nature of education or training necessary would be based upon the types of young men and young women involved. In some instances, because of the lower levels of educational experience, the vocational education program would not be as easily adaptable. I believe that this program would have to be subject to consultations. The Committee on Labor and Public Welfare, through its Subcommittee on Labor, in discussions in which the able Senator from Texas was a participant, brought out the fact that we cannot have a rigidity in the type of courses and training in all regions—in one particular area or camp as against another.

Mr. TOWER. I sympathize with what the Senator from West Virginia has said. The fact remains that we still do not know how the discretion would be exercised. We still do not know to what extent the proposal would be employed as a conservation program or a vocational training program, or to what extent the people involved would be trainable.



The following provision appears in title I:

No person shall be accepted for enrollment in the corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

What would we do? Would we not say that if the public school authorities conclude that a person is untrainable and should receive no further participation in one of the vocational training programs, he would be taken out and put into one of the programs proposed in the bill? That seems to be a little stupid to begin with.

Many school authorities would use the program as an opportunity to get rid of some highly undesirable students. They would put them into the corps.

Furthermore, if the students generally are trainable, what on earth would the Federal Government do with them? Is it implied that we have some super-knowledge about teaching methods in the field of vocational training to the extent that we can devise much better vocational programs than the public schools can?

In effect are we not saying that such students are untrainable by the public schools, but are not untrainable on our part, because the Federal Government in its infinite wisdom, knowledge, ability, and omniscience can accomplish anything in the world? All we have to do is to throw some Federal money at the problem and immediately it is supposed to go away.

There was a graphic admission of the bill's worthlessness by Secretary of Labor Willard Wirtz when he referred to the 1963 youth employment bill, which is contained substantially in title I of the proposed legislation.

Referring to the job corps he said:

There is no suggestion that this training program will qualify one of the enrollees for a skilled occupation. That we should \* \* \* completely.

If we are not going to qualify the people involved for an occupation, if we are not going to develop some skills, what are we to do? We would authorize a public works program to clean up the woods and parks, or something like that. I do not know the reason behind it. We already have a program for that purpose. It provides only temporary employment. The bill provides for a 2-year term, except that at the discretion of the director it can be continued longer.

So it appears to me to be pretty useless.

I should like to read into the RECORD a very good commentary on the study and analysis of the bill by the American Enterprise Institute:

Among basic adverse criticisms of the youth programs are those, directed particularly to the proposed away-from-home work and training camps, which in substance raise questions as to the degree of effectiveness of short-term efforts to impart basic education, vocational training, and a sense of social responsibility to youths, while removed to a strange environment, who to a large degree are persons on whom the long-established educational and other institutions of society have failed.

A specialist in child development is quoted as saying, with respect to the proposed Job Corps camps: "If we have learned anything in the scientific studies of human behavior during the last 50 years, it is that you cannot teach citizenship and social responsibility while removing a person from the society in which he is to become responsible."<sup>1</sup>

A superintendent of city schools, in a statement to the House Committee on Education and Labor, notes that most youths taken into the youth camps will need to be prepared for jobs in cities and therefore "it would seem to me more desirable and much more efficient per dollar spent to emphasize the work-training programs in urban centers."<sup>2</sup>

Doubt is expressed as to the reality of a youth Job Corps program which involves operating expenses of some \$4,700 annually per enrollee, plus substantial camp construction and guidance center costs, when these cost levels are compared with normal costs of vocational training or the securing of a college education.<sup>3</sup>

The vocational training aspects of the youth programs are described by varied critics as duplicatory of the expanded programs under the Vocational Education Act of 1963, authorizing appropriations of \$118.5 million for fiscal 1965 and up to \$225 million annually after fiscal 1966, and under the Manpower Development and Training Act, which was amended in 1963 to authorize \$407 million for fiscal 1965 and to include the training of youths 16 years of age or older.

Questions are raised as to whether the attractiveness of camp life and pay from service in the Job Corps might not in fact encourage rather than discourage school dropouts on the part of some youths.

It is noted that the bill contains no restriction in this respect, although the establishment of restrictions would be within the authority of the Director.

Apprehension is expressed as to disciplinary problems that may be encountered in youth conservation camps and training centers.

Some critics question the wisdom of inviting a feeling, on the part of youths involved in any of the three youth programs, of dependence on the Federal Government.

I depart from the text at that point to say that I think this is an extremely pertinent point. Young people are being taught to be dependent on Uncle Sam. I suppose that would prepare them for more vote-catching "gimmicks" that might be offered to them later on when they become of voting age.

To continue the quotation:

The question here is whether the effect will be a strengthening or a weakening of self-reliance.

A question also may be raised, some critics feel, as to whether it is sound public policy to leave to the discretion of a single Federal administrator the determination as to what types of private nonprofit organizations may utilize the services of youths through an arrangement under which up to 90 percent of the wages would be paid with Federal

funds. Such a question, under terms of the bill, would be applicable to both the community work-training programs for youths and the employment program for college students.

Analysts of the economic opportunity bill note that it contains no provisions with respect to marital status of an enrollee, or parental consent for enrollment, in the Job Corps for youths.

That is a very pertinent observation by the American Enterprise Institute. I point out also—the statistics having just been brought to me—that some 183,000 people left the CCC back in the 1934-41 period for disciplinary reasons. Others left by desertion, numbering 330,000, and for physical disability, 55,000. So perhaps the CCC was not always as beautiful as some people are inclined to think it was.

The Job Corps being proposed would cost \$190 million the first year for some 40,000 enrollees. It would cost about \$5,000 each. That is seven times the average per pupil cost in public schools in America.

By the way, that is more per person than it costs to send a student to Harvard or Yale, or any of the other fine Ivy League institutions. It seems to me to be quite an expensive amount per student.

The bill charts a new and unjustified course of government responsibility, in general, and for the Federal Government's role, in particular. The bill proposes more Federal bureaucracies whose officials would permeate, I believe, virtually every aspect of civil responsibility, public and private.

The first casualty of the war on poverty, as manifested by the bill, would be the preemption of jurisdiction of local control and representative government. I visualize the bill as the opening wedge for putting the Federal Government into existing local and State programs at all levels.

We should not create a new tax-consuming bureaucracy. Instead, we should create jobs by not having Federal Government interference with, and harassment of, private initiative, investment, and responsibility.

Never in our history, I believe, have catchy slogans created new jobs. However, that is exactly what would be attempted to be done in this case—to create slogans based on some of the New Deal programs.

Mr. President, jobs are created by investments by private individuals which create goods and services needed in the economy.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. RANDOLPH. The distinguished Senator mentioned the Civilian Conservation Corps and the young men who, for one reason or another, did not complete their training. The record will indicate that 83 percent of the enrollees did complete their work and training and that more than 3 million young men were benefited by the program to which reference has been made. Is that not a fact? We both have the same table.

<sup>1</sup> Dr. Urie Bronfenbrenner, of Cornell University, as quoted in Charles Bartlett column of the Evening Star, Washington, D.C., Apr. 9, 1964.

<sup>2</sup> Samuel Miller Brownell, superintendent of public schools in Detroit, Mich., Apr. 24, 1964.

<sup>3</sup> This is the substance of a criticism (except for the specific cost figure) in minority views in a report by the House Committee on Education and Labor, Apr. 8, 1963, on the bill (H.R. 5131) to create a Youth Conservation Corps.



Mr. TOWER. Yes, but the number of those who left the service because of desertion and for disciplinary reasons, taken together, totaled 513,000; those who left to accept employment numbered 448,000. So more left for disciplinary reasons and because of plain desertion than left for employment.

Mr. RANDOLPH. The vast majority were discharged through normal channels. Those of us who remember the Corps at that time will remember that it was operated along the lines of the military to a degree. It was more rigid in format than is contemplated in the present proposed legislation. I am not saying that was good or bad at the moment, but the military aspect was stressed then. It is not stressed in the pending proposal.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, permit me to say that I had not read the bill in full until a few hours ago, but I have found opportunity to do so this morning. I want to say, after reading the bill, that I have come to the conclusion that it is a political bill. I can understand, however, the desire of the President to create an image for himself between now and election day, even at the expense of blurring the image of some of his predecessors. Whether this bill passes or not it is likely to help President Johnson in his quest for reelection.

Does this bill provide a handout? The answer to that question is, Yes, it provides a handout to the poor people of America, and probably would not have been approved by Capt. John Smith or any of those who believe that poor people's misfortunes are the results of their own misdoings. But compared to other handouts, this bill is not even a flea bite. It is nothing compared to the handouts being given to the big business interests of the United States every day and every year.

It is nothing at all compared to the depletion allowance which is given to the oil and gas industry.

It is nothing at all compared to the tax benefits which are given to the public utilities of this country.

It is almost nothing at all compared to the benefits which, as a government, we bestow upon investment bankers who have invested billions of dollars in the foreign field, much of which is under guarantee so that they cannot lose.

This is a small handout compared to that which the shipping industries have received over the years.

It is an infinitesimal handout compared to what some of those who get big Government contracts enjoy, with the cost-plus arrangements, et cetera, amounting to billions of dollars a year.

It is not a very large handout compared to that which the publications of this country, many of whom will oppose this bill with all the vigor at their command, receive in the form of reduced postage rates.

It is terribly small compared to the \$11 billion benefits which were bestowed largely upon the well-to-do people of this country by the tax bill of 1964 and which will not be shared by any of those who qualify under this so-called poverty program.

And it is not much more than the recent handout which was given late last spring to the cotton mills of this country in the form of a subsidy for cotton which they purchase.

Whom will this bill help? As I read the bill, it seems to me it will help the boy or girl who had to leave high school because, for one reason or another, he could not complete the course, perhaps because of illness in the family, perhaps because of moving from place to place, or perhaps because the parents were out of work.

It will help those who lost their jobs because they could not keep up with the march of technology in the areas where they might have been located, such as our mining industry. It will help the dependent children of America, who certainly cannot be accused of being responsible for the conditions in which they find themselves.

It will help rural families who have lost their income or have no way of making a respectable living.

The question arises, Are these poor people a threat to the successful business interests of America or to the liberty of our people? I contend that they are not. I should like to know why a handout to a billion dollar industry is a great boon to America, while a handout to a poor family in need is a menace to our liberty.

I expect, as the debate continues, to receive answers to those questions.

Undoubtedly this bill can be made better and I shall vote for any amendments that are offered to the bill which I think would improve it.

In my opinion, regardless of the political implications, it is only fair to give consideration and help to the people who are most in need.

Mr. ROBERTSON. Mr. President, I rise in opposition to the bill. We are called upon to vote for a bill to authorize an appropriation of \$962.5 million and to start a program which could annually cost that much or more every year, primarily because of the name it carries and the purposes it seeks to achieve, rather than upon testimony that the measure is actually needed and is soundly conceived.

I quote the words of Professor Emeritus Harley L. Lutz, of Princeton University, whom I recall with great pleasure from the period when I worked with taxes and tariffs on the Ways and Means Committee of the House.

"War on Poverty" is a slogan that can reasonably be expected to yield considerable political mileage. No one is in favor of poverty and criticism of a program purporting

to deal with it is as risky, politically, as being in favor of sin or against motherhood.

Yet the odds are heavily against complete elimination of poverty by any kind or degree of Government action. The dramatic announcement of the slogan may carry for some the implication that theretofore poverty had been tolerated but that little serious thought or effort had been given to its amelioration.

The fact is that the whole history of economic progress is a record of the struggle against poverty in the sense of a scarcity or deficiency of goods in relation to needs. Everything that has been done to increase production, from the most primitive tools and implements to today's enormous complex of machines, materials, technology, and skills has broadened and strengthened the drive to minimize scarcity.

Mr. President, I heard the statement made a few days ago that the gross national product—a hocus-pocus term which economists use to indicate what we are producing, even though it is a very imperfect yardstick—has reached an alltime high in excess of \$600 billion, and that the national income is approaching an alltime high of \$500 billion.

In this period of our greatest prosperity, we are asked to embark upon a new type of spending which eventually could pyramid into an annual cost of \$2 or \$3 billion. There is no ceiling on what the program could ultimately cost.

My statement that we are asked to vote for a slogan rather than on the basis of full information, is substantiated by the following statement in the minority views of Senators GOLDWATER and TOWER:

1. The bill includes some seven titles, nine separate programs, and establishes a new bureaucratic apparatus; its scope is so vast that it could affect virtually every section, community, and person in the country.

2. Despite the scope of the bill's programs and its length, only two witnesses were presented by the administration to make its case.

3. R. Sargent Shriver, the proposed "poverty czar," read a statement one page long as his presentation in behalf of the bill; he then spent portions of 3 different days answering questions. This exercise, which barely scratches the surface of the problems and implications contained in the proposal, was reported in 91 pages of the hearings, only a few more than the bill itself.

4. Secretary of Labor W. Willard Wirtz, the other administration witness, was able to conclude his testimony within approximately 15 minutes.

5. The hearings on the bill lasted only 4 days.

6. The Select Subcommittee on Poverty met once in executive session and reported the bill to the full committee within 2 hours; the full committee also held a single executive session which resulted in the bill being hurried on to the Senate Calendar. Thus, from the close of the hearings on June 24, 1964, to the full committee's action on July 7, 1964, less than 12 days were allowed the committee members for study of this long and complex bill.

As to the statement concerning the inadequacy of the hearings, all Members of the Senate know that the report on the bill was not filed in the Senate until yesterday, and copies of that report,



covering 133 pages, were not available to Senators until about 11 o'clock this morning.

I fully approve of the prospect held out to the Senate by our splendid and beloved majority leader [Mr. MANSFIELD] last Monday of sine die adjournment of Congress prior to the convening of the Democratic National Convention on August 24. I also am definitely of the opinion that we can conclude action on all the pending appropriation bills before that date. It does not follow, however, that we should rush through the Senate, without adequate study and without adequate debate, a vast new spending scheme to broaden and, in some instances, duplicate existing welfare and welfare-type programs on which we are already spending in excess of \$44 billion a year. And, last but not least, without any scientific definition of the type of poverty which should be the peculiar concern of the Federal Government, we are asked to commit ourselves to specific programs which may merely increase the national debt without materially raising the standard of living of any specific income group.

Mr. President, hearings on a similar bill were recently conducted in the House. At that time, a witness for the U.S. Chamber of Commerce gave a thoughtful analysis of what was in the House bill and the reasons why the chamber of commerce objected to it. I ask unanimous consent to have printed at this point in the RECORD excerpts from the statement of that witness.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

**CURRENT GOVERNMENT PROGRAMS TO  
MINIMIZE POVERTY**

A remarkable aspect of the election year "war on poverty" is the extent to which those, who, in 1 month, developed the "battle plan" appear to have ignored existing laws and programs that would enable them to get at the problem of poverty more quickly and more effectively than would the programs contemplated under the Economic Opportunity Act of 1964.

According to the Bureau of Labor Statistics Bulletin for November 1963, we already are spending in excess of \$44 billion a year on welfare and welfare-type programs. And Congress last year authorized substantial expansions of many of those programs, not to mention several new ones.

The scope and magnitude of these programs were also spelled out in last week's issue of a leading news magazine, under the appropriate heading, "There's Already a War on Poverty."

Secretary Celebrezze of the Health, Education, and Welfare Department, admitted during his recent testimony that 42 current Government programs "have a direct application to poverty."

And now the Congress is asked to create still another agency; to authorize still more programs of highly questionable value; to leave all such programs under the direction of existing agencies but to give the Economic Opportunity Administrator virtually unlimited powers to coordinate their activities.

Time does not permit discussion of all of these Federal programs, but I want to mention three that, if properly modified, can be of greatest value in any effective antipoverty campaign.

**EDUCATION AND TRAINING IN RELATION TO  
POVERTY**

Except for older or retired people, the minimizing of poverty generally requires the opportunity and motivation for further education or training. How such opportunity and motivation can and should be provided, and the further conditions through which such education or training may successfully reduce poverty, are the subjects which we wish now to discuss.

Continued education and training are the primary means envisioned in many of the programs proposed in H.R. 10440 to correct or prevent poverty. Changing conditions of employability and the motivation to seek higher standards of living both depend upon improved effectiveness in our schools, public and private, including a "second chance" for youths or adults who dropped out before acquiring the skills needed for employment, or perhaps even the literacy prerequisite to such training. While many of the unemployed are not living in poverty, and many families said to be poverty stricken include employed persons, the fact remains that unemployability is a part of any description of poverty.

The decision to stimulate the States and their communities better to provide training opportunities has caused the Congress to enact many major laws during the last decade. In addition to the hundreds of thousands of youth and adults already receiving training through apprenticeship programs, on-the-job training and vocational education under the George-Barden Act, new vocational education opportunities have been provided under the area vocational schools established by the National Defense Education Act; training was authorized for the unemployed in depressed areas under sections 16 and 17 of the Area Redevelopment Act; training was provided in the Juvenile Delinquency Act; training for workers in industries injured by tariff concessions was provided in the Trade Expansion Act; and a huge program of training and retraining was authorized by the Manpower Development and Training Act.

**MANPOWER DEVELOPMENT AND TRAINING  
ACT**

Most recently, the Manpower Development and Training Act has been extended and expanded to provide for training, with subsistence, for youths aged 17 and over. The act as amended delays until 1966 even any requirement that the States match Federal funds. It adds 20 weeks of allowances for trainees lacking "basic education" and allows such education to be provided before determining occupation objectives. Trainees are now able to work 20 hours without loss of training allowances, and up to \$4 million can be used as relocation expenses "to increase the mobility of unemployed workers."

I cite here briefly the increases in the Manpower Development and Training Act provisions to document the availability of both basic education and training programs to those now unemployed, including young people only recently entering—or seeking to enter—the labor force. Insofar as poverty is due to involuntary unemployment, the Congress has already provided for the counseling, basic education, training and experiments in relocation of people who desire such services, and has provided subsistence for them during this period wherever needed.

**VOCATIONAL EDUCATION ACT OF 1963**

A second major law directed at the alleviation and prevention of poverty due to lack of training was enacted in the Vocational Education Act of 1963. Programs authorized in this act—the scope of which have been tremendously expanded—have not been im-

plemented by the States and their communities. Even so, it cannot be questioned that youth falling within any definition of poverty are intended to be the recipients of the broadened training envisioned. The opening section says the act's purpose is "to develop new programs of vocational education, and to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis, so that persons of all ages in all communities of the State—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, and those with special educational handicaps—will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of actual or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training."

In addition, the act provides for new work-study programs, with Federal compensation for such work, and "residential vocational schools" for youths age 15 to 21 with all expenses paid. These programs are specifically directed toward "needy" youth, especially "youths who have dropped out of school or are unemployed."

What we wish to emphasize here is that insofar as the Congress can or should provide opportunities for the counseling and training of the poverty stricken, it already has taken action. In fact, the Federal and State agencies designated to implement the Manpower Development and Training Act and the new Vocational Act have only begun to promulgate the provisions for expanding these programs. The Advisory Committee on Vocational Education, which must approve the new, broader State plans and the new regulations under which the State vocational programs will operate, has not even been appointed. The State directors of Vocational Education have met as recently as this weekend (April 8 to 10) to review and clarify the many new functions and the variety of training offerings within the scope of the new vocational education programs.

In fact, the expansion of the prerogatives of vocational education may become confused with those of the Manpower Development and Training Act because both provide new opportunities for out-of-school youth, as well as unemployed or underemployed adults, for counseling and training. How can the Congress then seriously consider compounding the potential confusion in these expanding programs by proposing still other training programs to be administered by the same executive agencies and for which the same youth and adults would be eligible?

Why would not the youth who might volunteer for a "job corps" be better advised to take advantage of either the Manpower Development and Training Act or vocational education opportunities? How would the "residential centers" of the "job corps" differ from the residential vocational schools envisioned in the Vocational Act, once established? Why should the work-study courses of the Vocational Act under HEW be duplicated by work-training programs under the proposed Office of Economic Opportunity?

Along with these expanding programs under both the Manpower Development and Training Act and Vocational Act, the Committee should be aware of the vast expansion of State and local effort in vocational-technical education already underway in many States without any Federal stimulation.



## SOCIAL SECURITY AMENDMENTS OF 1962

A third law that can be useful to get at the problem of poverty in metropolitan areas is the 1962 amendments to the Social Security Act.

Under those amendments, any State can now initiate, at the community level, work relief and training projects for those adults receiving assistance under the aid-to-dependent-children program. In fact, it is under those amendments that the city of Chicago now has in operation programs for basic skills (literacy) and vocational training for such adults, and that the city of Los Angeles is planning such training programs.

Similarly, the experimentation authorized under section 1115 of the Social Security Act and now being carried on in seven eastern counties of Kentucky, illustrates the type of demonstration or pilot projects which should be undertaken in other States under this authority. This is especially true of those States which have experienced an extensive rise in the relief load under the ADC program. Our point here is to stress the availability, now, of these tools of Federal-State action to solve the problems of poverty.

Mr. ROBERTSON. Mr. President, Senators will recall that in April 1963, the Senate voted for a Youth Training Corps. That was nothing but the old Civilian Conservation Corps program of depression days. I was a Member of the House when the CCC proposal was made. It was really necessary then to provide employment and some means of distributing income to people, primarily in the cities. We did not have then anything approaching the welfare programs that exist today. That was at the time of the worst depression in our history. I supported that program. But I wish to make one or two comments about it.

We found that the training was a futility. The superintendents of those camps were mostly Army officers. When I learned that the boys would not take advantage of the educational training that was offered, I proposed that they be given some military training. What a howl went up all over the United States. It was said that I wanted to draft the sons of the poor people to fight wars for the rich men, and all that kind of tommyrot. I anticipated that they were going to be drafted, and I wanted to make them a little better prepared for what was coming, since they had not demonstrated the brains, the ambition, or the willingness to take any kind of civilian, educational training.

After the camps were closed, we tried to evaluate the benefits the youth received from them. We know what the camps cost. They cost \$402,220,869.06. That was based upon depression prices. The head of the old CCC received a salary of \$10,000. Last year it was proposed to start the head of the youth employment agency at a salary of \$20,000, and, under the new pay bill, the director of the proposed Job Corps, probably would receive as much as \$25,000. Everything will be double or treble in cost.

We know what the old CCC barracks cost. They cost millions of dollars. The barracks to be constructed under the proposed program will be three times as expensive.

In the days of the CCC, the camps were segregated. The new camps will not be segregated. That means, of course, that

in the South, at least, there will be what will amount to segregated camps, because only one type of citizen will attend.

Another difference is that girls will be admitted. The bill does not state whether the girls will be segregated or not segregated. But they will be included in the program; they were not included in the program of the 1930's.

Mr. President, this is the old CCC idea which was adopted as a means of providing some income during our greatest depression. Now, when we are spending in excess of \$44 billion for numerous welfare programs, we are asked to begin a similar program on a far more expensive basis, and to call it the Job Corps to provide education, vocational training, and work experience. Under the previous program schools were conducted at night, but the boys would not attend. We did not get work worth 50 cents on the dollar out of those boys, and they were of the better type than we can expect in this new program. The proposed new camps would be filled with school dropouts, juvenile criminals, and whatnot. We would get no worthwhile work out of them. We would not get in return 10 percent of what will be spent on them in the new camps.

In the old days, too, access roads and fire roads were needed in the national forests and national parks. Over and above all else, recreational areas were needed.

I well recall the fall of 1934, when President Roosevelt decided to dedicate the first Civilian Conservation Corps camp in the Blue Ridge Mountains. It was Camp Roosevelt, at Big Meadows. Senator BYRD and I met the President at Harrisonburg. As we drove up Swift Run Gap and got the beautiful view of the Shenandoah Valley, which so entranced Governor Spottswood and the Knights of the Golden Horseshow almost 200 years ago, I said, "Mr. President is that not beautiful scenery?"

He said, "Yes, but you have no lakes."

"Oh," I said, "that is true; but we can get some lakes."

He said, "You need them."

So when I saw the head of the CCC movement, I said, "The President said we ought to have some lakes."

He replied, "If you will find a site, we will build some lakes."

It did not take me long to find a site. It was at Sherando, in Augusta County. At Sherando, the CCC built the first recreational lake that it built anywhere in the United States.

When the CCC camps were ended because of the war, I prevailed upon the Soil Conservation Service to continue the lake and pond program. Thousands of ponds have been developed from that program.

But that was a much different situation from that which confronts us now. We do not need any more recreational lakes or ponds. Most of the urgent needs for access and fire roads and trails in our national parks and forests have been fulfilled. We would be hard put to find useful employment for the trainees.

This is another reminder for Members of Congress before a start is made on this expensive program: We cannot get

manual labor from a man and train him for technical work at the same time. We must do one or the other. They cannot be combined. We shall be given many rosy pictures of how it is proposed to take school dropouts, boys with poor brains, or boys with no ambition at all, who could have gotten an education, but would not take it, and pay big money to them. But will they be trained for anything? They certainly will not. Yet we shall be committed to a program similar to one that existed in the days of the depression.

We did not end the CCC camps during the previous depression until we had to enact a law drafting men for military service.

I and all others who know how those camps were then operated know only too well that when we spend millions of dollars in building new barracks for CCC-type camps for a new Job Corps, we shall not use them for only 1 year and then discontinue the program.

When the Senate passed S. 1, the Youth Employment Act in April 1963, I spoke briefly against that bill which is similar to the first two parts of title I in the pending bill.

Last year's bill went over to the House. The House would not pass it and has not passed it yet; but we are asked to include it in this package bill. As Professor Laski said, Who would dare vote against poverty? Who is against mother love? Who is for sin?

I ask unanimous consent to have printed in the RECORD the brief remarks I made on the floor of the Senate in April of last year against S. 1. That was to have been the first great bill, but it has not passed the House yet. But, in a modified form, it is in this bill.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

## REMARKS OF SENATOR ROBERTSON

Mr. ROBERTSON. Mr. President, while the \$60 million proposed in the pending bill to start a replica of the CCC camps of the depression thirties is apparently a very modest undertaking, no one should delude himself that a program of this character can be any more easily stopped than the program of 1935 which was not ended until war spending and the draft forced Congress to abandon the CCC camps. Instead of the program being less expensive than it was during the depression my personal belief is that it could easily be three times as expensive. For instance, both the Census Bureau and the Army are agreed that the current cost of building a barracks is 300 percent higher than it was during the depression years. And the pending bill recognizes the inflation that has occurred during the last 25 years when it provides a starting salary of \$20,000 a year for the Director of the YCC as against \$10,000 for the Director of the CCC in the bill of 1937.

I have previously pointed out that even to house the 15,000 men contemplated by title I of the bill would cost not less than \$75 million. My colleagues may be interested to know what was spent on barracks for the old CCC camps. The General Accounting Office informs me that the total under the general heading of shelter was \$69,877,649.13. And if to that is added what, of course, will have to be added to the new camps if established, equipment, supplies and materials, structures and parts, and land, the total for what might be termed capital outlays for the old CCC program was \$402,220,869.06.



When we add to that the money paid to the enrollees and the contributions made to their dependents, we find that in 8½ years the Government spent on the old CCC camps \$2,328 million. Therefore, I feel safe in asserting that if we start this program and Government witnesses have testified that they are figuring the per-man cost on the basis of amortizing the capital outlay over a period of 20 years we could easily be starting a program that will ultimately cost over \$6 billion.

Mr. ROBERTSON. Mr. President, that bill authorized only \$60 million for CCC camps. It did not include women. This bill includes women. It starts with \$190 million for a Job Corps. Think of it. Only \$60 million was involved last year, and the House would not pass it. But now we have increased the amount to \$190 million for this one program—the total proposed for youth programs is \$412.5 million and \$962.5 million for the whole bill. We are committing ourselves to something that eventually will run into hundreds of millions of dollars in the time of our greatest prosperity. It will be borrowed money.

Mr. STENNIS. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. STENNIS. I thank the Senator for yielding to me. I have not finished my study of the bill. Did the Senator from Virginia say it was an open-end authorization with no ceiling on it?

Mr. ROBERTSON. That is my impression. I do not know of anyone on the committee who knows everything that is in the bill. It is a long bill. We did not even get to it until 11 o'clock this morning, but the distinguished Senator from Texas is on the committee, and I quoted from his minority views.

Mr. TOWER. Mr. President, will the Senator from Virginia yield at that point?

Mr. ROBERTSON. I yield.

Mr. TOWER. For the first year, the bill contains an authorization of \$962.5 million—almost \$1 billion. This, admittedly, is only the first round. This is only "a foot in the door." We expect the administration to be back with hat in hand asking for a billion dollars more before it is over.

Mr. ROBERTSON. The original program was to start with \$4 billion, a billion of it to be for this year. Now the \$4 billion has been dropped, but it is proposed to start with nearly a billion dollars. We established a precedent; and we shall have all these people who will get jobs to train dropouts.

Mr. McNAMARA. Mr. President, will the Senator from Virginia yield at that point?

Mr. ROBERTSON. I yield.

Mr. McNAMARA. In answer to the question raised by the Senator from Mississippi [Mr. STENNIS], there is a breakdown on each Senator's desk of the \$962.5 million. If the Senator does not have a copy at hand, I have one for him.

Mr. STENNIS. I thank the Senator.

Mr. McNAMARA. This details and spells out what is in the report which each Senator has on his desk.

Mr. ROBERTSON. Mr. President, I yield the floor.

Mr. McNAMARA. Mr. President, there is, naturally, opposition to the bill, but I should like to point out again what I pointed out in my opening remarks, that there is a great need to do something about the impoverished people in our country—and there are millions of them.

Both proponents and opponents agree that we are in a period of great prosperity for almost everyone in the country; but the "almost" is the important thing which this bill seeks to do something about.

As I stated in my opening remarks, poverty is now being passed on from one generation to another, so that we have inherited poverty, and inherited lack of opportunity, which brings about more and more poverty.

The bill is designed to do something about that, to break the chain of passing on poverty from one generation to the next.

The charge is made that the program is expensive. Of course, it is expensive, but we must not overlook the fact that if we can retrain, reeducate, or provide further education for people who now lack an education and make of them productive citizens, we shall have created a double benefit to the Nation, because it will take people off the welfare rolls and put them into productive employment, where they will become taxpayers the same as the rest of us. This is no small part of the program.

Mr. SIMPSON. Mr. President, will the Senator from Michigan yield at that point?

Mr. McNAMARA. I am glad to yield to the Senator from Wyoming.

Mr. SIMPSON. How does the Senator propose to establish the estimated amount of money which will be needed, when the administration itself does not have the least idea of the number of poverty units in the United States?

I point out to the Senator from Michigan that the Democrats have never been able to nail down the precise figure regarding the number of Americans living in poverty.

In January 1964, as the Senator well knows, President Johnson's National Policy Committee on pockets of poverty said that 20 million Americans went to bed hungry every night. In that same month, President Johnson himself said that there were 5 million Americans who were not enjoying the pleasures of economic prosperity.

On September 8, 1960, the then Senator John F. Kennedy declared during his campaign that 5 million Americans were living in poverty. The figure had increased to 8 million in Democratic pronouncements up through November of 1960.

The most widely publicized Democratic estimate of poverty, however, was the President's figure of 17 million Americans; and even that relatively modest figure constitutes a rather sad commentary on 3 years of Democratic administration. There was an increase from 17 million to 35 million poverty units in this great Nation in 3 years of government by the Democrats.

The figure is rather significant when we consider the bill which embodies the philosophy of those who have doubled poverty in America in 3 short years. How does the Senator know how much money is needed when the administration does not even know the amount of poverty units in the United States?

Mr. McNAMARA. So far as I am concerned, as the chairman of the subcommittee, I point out that figures were quoted at various times by various people. When they talked about 5 million people going to bed hungry, and 20 million people living in poverty, they were using two different yardsticks.

Mr. SIMPSON. Does the Senator know which yardstick was used as to the amount of income each unit had?

Mr. McNAMARA. I do not have that figure, but so far as this bill is concerned, the yardstick used is one under which people earn below \$3,000 a year. The purpose of the bill is to help those people. The incomes of other people, at various times, vary from year to year and from area to area. But the bill seeks to help those who receive less than \$3,000 a year. We do not look upon poor people strictly as "poverty units." We look upon them as people. If the Senator is referring to people, we shall try to answer the Senator in terms of people.

Mr. SIMPSON. That is administration language. It is not my language.

Mr. RANDOLPH. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I shall conclude in a moment.

Mr. President, I ask unanimous consent that minor and purely typographical errors be corrected as indicated.

The PRESIDING OFFICER. Is there objection?

There being no objection, the corrections were agreed to and ordered to be printed in the RECORD, as follows:

Page 81, line 7: Delete the word "Sate" and insert in lieu thereof the word "State".

Page 83, line 23: Between the words "loans" and "under", insert the word "made".

Page 88, line 10: Delete the word "authorized", and insert in lieu thereof the word "authorize".

Page 100, line 10: Delete the word "adjustment" and insert in lieu thereof the word "adjustments".

Page 102, line 11: Between the letters "(c)," and "(d)", insert the word "and".

Mr. McNAMARA. Now I shall be glad to yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I was temporarily absent from the Chamber when the distinguished junior Senator from Virginia [Mr. ROBERTSON] was addressing himself with some heat to what he believes to be the failure of the CCC program. I am informed that he suggested that because the House had failed to act on two Youth Conservation Corps measures which the Senate had passed, this indicated a lack of understanding, appreciation, and support for the idea of a Youth Conservation Corps.

Sometimes it is good to look at the record. I believe that the Senator from Virginia would not feel aggrieved if I



were to point out the fact that we were both Members of the House in 1937. The Senator from Virginia [Mr. ROBERTSON] and I then voted for a 3-year extension of the civilian conservation program which had been created in 1933.

If the Civilian Conservation Corps had been a washout, if it had been a failure, I doubt if the Senator from Virginia [Mr. ROBERTSON] would have voted in 1937 for a continuation of the program for a period of 3 years.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. SIMPSON. I point out that the Senator from Virginia admitted that he voted for the House-approved measure years ago. But he stated that he was misguided and that the measure turned out to his dissatisfaction.

Mr. RANDOLPH. Mr. President, I am very sorry. I was not in the Chamber at the time. I wish to modify my remarks. In no wise do I speak in disparagement of the position taken by my cherished friend from Virginia [Mr. ROBERTSON].

I pointed out earlier that numerous Senators, both Democrats and Republicans, including Senator DIRKSEN, Senator ROBERTSON, and others who voted for the Civilian Conservation Corps then, may not believe it is a good program now. I believe it should be enacted into law. I supported it in 1933 and 1937 and I support it in 1964.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. HUMPHREY. Mr. President, I listened with interest to the discussion of the Jobs Corps section, section 1 of the Economic Opportunity Act. This is almost identical to the Youth Employment Act, containing the Youth Conservation Corps, which passed the Senate last year.

The Senator from West Virginia [Mr. RANDOLPH] and the Senator from Virginia [Mr. ROBERTSON] have pointed out the great success of the Civilian Conservation Corps in the depression years. The able Senator from Texas [Mr. TOWER] pointed out that this was an old solution to a new problem. I would say it is a continuing problem, not a new problem. When old solutions are effective, there is no need to abandon them. They are like old medications that continue to be effective. One does not abandon them. There are many such instances in the lives of people and in the lives of nations. The Youth Conservation Corps or the Job Corps today has the support of many of the finest organizations of the country.

The National Association of Chiefs of Police—which I believe was referred to earlier today by the Senator from West Virginia [Mr. RANDOLPH]—deals day in and day out with the problems of idleness, and with the problems of delinquency that result from idleness and frustration—problems of delinquent behavior, not only in juveniles, but in adults. That association has unqualifiedly and enthusiastically, time after time, endorsed the Job Corps program or the Youth Conservation Corps.

One can make fun of the proposal or make light of it if one wishes to do so. But if the Youth Conservation Corps did nothing more than take care of the forests, the streams, and the lakes and conserve some of the resources of this Nation, it would be a wise investment for this Nation to make.

The Job Corps is not merely for the conservation of the forests, the waters, and the land. It is also for the conservation of the human body, the human mind, and the human soul. It also has something to do with the conservation of good neighborhoods, the building of good social institutions in our urban centers. It also has something to do with the training of young people in work habits.

One of the great needs today in America is to give young people before the age of 21 the opportunity to develop work habits as a result of direct experience.

It is very difficult for a young man 16 or 17 years of age to get a job. Senators may say that the program is not very good. In the meantime, another 100,000 or 200,000 young men between the ages of 17 and 21 become unemployed each year. They become school dropouts or find themselves unable to adjust to the industrialized, urbanized society that is growing at a rapid rate.

One can simplify these things all he wishes; millions of people are leaving rural America and going to the big cities. Some rural families come to the big cities with 6, 7, 8, 9, or 10 children. They are not adjusted to urban life.

In fact, most urbanites are not adjusted to urban life. Most people are not adjusted to living on asphalt or concrete. So urban life becomes a problem. That is what we are seeing all over America.

I wonder today why the Senate, which is considered to be—at least, among ourselves—a group of wise and prudent men, has not been able to see what is happening to America. This is not the America of the thirties. It is not the America of the forties, or of the fifties.

When I arrived in the Senate, the population of the country was 150 million. Since 1949, an additional 44 million Americans are in the United States. This has occurred in a period of less than 16 years.

The population projections shows that by the year 1980 in an area from Boston to Norfolk, there will be 90 million people in one continuous city. It also shows that the rural population will be halved. Many people who come from the rural areas will be inexperienced in industrialized pursuits, employment, production, or urbanized living. It is in those areas and groups that the problems arise.

The Youth Conservation Corps is not an answer to the total problem. There are no longer total answers to total problems. We must live with these problems and work with them. There never has been a quick, easy answer to any problem or to any project of such dimension.

A measure which has passed this body twice and which has a record of success in the most difficult years in our history,

is the sort of measure that deserves support.

It said that there is a provision in the bill that a person must be referred to the corps. One cannot get a position in the job corps unless the school authorities say that he can no longer find satisfaction of his needs in the academic or vocational education program of the school system. There is a reason for that provision. I think it could just as well have been left out, but there is reason for it.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TOWER. I should like to read the provision to which the Senator refers. It is as follows:

No person shall be accepted for enrollment in the Corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

That provision would seem to imply that we would take people who are untrainable, people whom the school authorities fail to train in the regular vocational training programs, and try to train them in the proposed program. I wonder if we could be any more successful.

Mr. HUMPHREY. I believe I can be helpful to the Senator. The Senator from Texas is a former educator, as I am also.

I conducted a vocational education training program in my State which involved 40,000 people. I conducted an adult education program in my State for 2 years that had more than 70,000 people in it.

The reason for the provision to which we have referred is that there should be no inducement in the bill for young people who ought to be in school and who can profit by being in school to leave school.

I am surprised that some Senators do not know that sometimes the educational program in a particular community does not fit all the needs of a particular child. That is one of the reasons why there are private schools. That is one of the reasons for counseling. That is one of the reasons for community services.

Mr. President, if the schools met every vocational, social, and academic need of every young man and young woman, there would be no reason to have anything else. But there are plenty of schools today that do not meet those needs.

As a former educator of a sort—and I claim no great expertise in that field—but as one who has spent a good deal of his time with young people and as a teacher, I assert that the school systems of America can well examine their curriculums. They can well examine their teaching programs to see whether or not we are doing the things in school that are needed to be done in order to train Americans for the 1960's, the 1970's, and the years to come.

For example, people have said that young people should attend school for 9 months. Why? Because that is the way grandfather did it. Why? Because



the boys and girls were needed in rural America on the farms during the summer months.

Today many people say that perhaps the school year ought to be 10 months. Many today say that perhaps the whole period of education ought to be related in terms of patterns of family life. For example, large numbers of industrial workers get their vacation periods during the winter, and not the summer.

I do not know what the answers to those questions are, but I know one thing: Today children do not have exactly the same opportunities that they had 50 years ago. I do not say that they are better or worse. I say that the school program of today frequently does not meet the needs of each and every individual child. The good educator is the one who understands that.

We do not wish a program that would act as an inducement or an enticement to young men or young women to leave school when the school meets the needs of the child or young person.

I have seen young men in my college classrooms who would have been better off if they had not been there.

I have seen them studying the fine arts and the humanities, when they should have been in vocational or technical training.

Mr. President, what the program attempts to do is to face the facts which the Senator from Texas and other Senators know. What are those facts? Last year 1 million young people were school dropouts and were unemployed.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TOWER. I concede that our educational system does not completely meet the needs of every student. As a former educator, I had many young people in my classrooms who should have been apprenticed in industry or who should have gone into vocational training. They were not prepared to do college work. They did not have the ability to do it.

I have admired the British system, which channels students off into two different directions after they reach a certain age and are tested. Some are sent to grammar school; others are sent to vocational training centers or to be apprenticed in industry. I wish we had a similar system in our country. I believe that our educational system has been geared to mediocrity.

We ought to find the way to gear our educational system to the needs of the students and their intellectual and mental capabilities. But I do not believe that the proposed \$412 million youth job corps program and the other work and related programs will solve this admittedly great problem.

Mr. HUMPHREY. First, I wish to make it clear that I have a high regard and respect for the Senator from Texas, not only as a Senator, but also as an educator. I know of his excellent record. Educators, like Senators, sometimes disagree as to the best methods. They even disagree on the textbooks and reading material that ought to be used.

It seems to me that one of the apparent needs today is to find gainful and useful work for young people that private industry does not wish to provide for many reasons. Frequently summer work is undesirable for an employer. He must readjust his entire work force. Today employers are not like they were back in grandfather's time. In many places employees now have a union shop. Employers are required to pay fringe benefits. A good deal more bookkeeping is involved than was required of Humphrey's drugstore 60 years ago.

There is a need for the program, not because of any theory, but because of the fact that the streets of America, even in areas where there is no violence, are crowded with young men and women walking around aimlessly, not knowing what to do.

If someone has a better program than the one proposed, well and good.

I have been in local government. I was mayor of a great city. I found that when a man can be put to work and given some training, he becomes a better citizen.

But apparently it is easier to build jails and reformatories than it is to give young men an opportunity to make something out of their lives.

Having been a youth worker, I am proud to say, a Scoutmaster, and one who has worked with young men for a long time, I have found very few young men who are really bad if they are given an opportunity.

What is the job corps program for? It will not make doctors of them. It might make Senators of them. But it will not make accountants or professional people.

First, the program would provide a young person with something to do that is not merely make believe or make work.

Most of us are parents. Most Senators in this body who are 40 years of age know that when they, as boys or girls, were asked to do something, there was a reason for it. It was necessary either to contribute to the family income or to do chores around the home or work in a business or shop. What do we do today? Mothers and fathers spend half their time puzzling about what they are going to do with Johnny now that he is out of school. Shall they send him to camp or see if he can get a paper route, in order to keep him busy? Young people want to do something.

One of the reasons why the Peace Corps has been one of the finest programs of this Government is that it gives young people an opportunity to do something worthwhile. The proposed Job Corps will be effective when a young man sees that the work he is doing is needed by his country, when he finds out he can get part-time work with the Government or in a nonprofit organization and contribute to the welfare of his community and his Nation, when he can work in a community park or do something that is worthwhile.

We talk about cost. I remind Senators that many times as much is spent in a low-income or slum community as is

spent in a high-income, fully employed community. The most extravagant and costly community in the country today is the slum or low-income community. I speak from facts when I say that the fire department is sent into a low-income community far more frequently than it is sent into a high-income community. The police department is sent into a low-income or slum community much more frequently than into a high-income community. The social welfare costs for a low-income area are many times as high as for a high-income district. The only people who can afford the slums are the rich.

As a former mayor of the city of Minneapolis, I can say that the wealthy and the propertied people have to be taxed to maintain the slums and unemployed young people. What this country needs is young people at work. I think young people ought to start out in life knowing that if they are to receive help from their Government or their family or their neighborhood or their community, they must earn it. If that is old-time politics or economics, so be it. I think it is good politics, good economics, and good sense.

I suppose there will be a few loafers and freeloaders. They are found in any community.

Under the bill, the program will involve 40,000 the first year and 100,000 the next year. If these American youths are given a chance to be hired and put in jobs in the Job Corps, 40,000 the first year of the ages between 16 and 21, and 100,000 the next year, it will be the wisest thing ever done. Then, under part 2, the work training program, agreements will be entered into with States and local governments to pay a part of the cost of full- or part-time employment to enable the young men between 16 and 21 to continue or resume their education or increase their employability. We will be making another wise move to try to give our young men and women the training incentive they need at this stage of life.

I shall not take more time now except to say that we hear speech after speech on the floor about riots and disorder. I have heard for a long time, as a parent, as a public official, as one interested in youth work, that young people today are terrible. I have heard lectures and sermons. I have heard it said that they steal hubcaps. They have nothing else to do.

I have heard that they steal and that they engage in vandalism. I do not condone it, but I remind Senators that there was a time when we stole, or "snatched" apples from a grocery store. When we did it, it generally meant that we did not much to do. One of the remedies generally applied was the switch. Generally we were put to work.

I am glad to say that the present program is being advocated by a President who understands what it is to work.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.



Mr. TOWER. In Texas we did not mess around with anything as small as apples. We stole watermelons.

Mr. HUMPHREY. The Senator had a little experience with that. I was probably the best in my county. The watermelons were not as big as those in Texas, but we did the best we could considering what we had.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I can tell the Senator why the situation has deteriorated in the last 40 years. It is because we do not have the time-honored institutions known as the wood pile and the woodshed. The woodpile kept the boy from getting out of work, and the woodshed provided a place for punishment.

Mr. HUMPHREY. Nowadays we have charcoal briquettes and the barbecue, and the work consists of putting the charcoal briquettes into the barbecue pit. Another form of activity is trying out the 360-horsepower car on the highways.

I appeal to some of my conservative colleagues to apply the time-honored, tried, true, and tested old solutions to the continuing old problems. I have the feeling that if we do so we shall make a great contribution not only to the wealth of the country in an attack upon poverty, but, more importantly, an attack upon frustration and hopelessness, which will be of great benefit to the people.

I intend to discuss this bill in greater detail tomorrow. It is a good bill which merits the overwhelming support of the Congress.

Mr. JAVITS. Mr. President, I have listened with great interest and pleasure to my colleague from Minnesota, who is always so picturesque and interesting in his remarks.

I regret to state, as a Member who sat on the Committee on Labor and Public Welfare that I wish I could say that this bill will do all the things that all of us would like to see done. But it will not. Under \$1 billion is provided for in this bill. It is not going to be able to do much in any of the respects that we all want. It is not going to make all the work we would like to see for the boys and girls. It will neither restore the woodshed nor furnish the charcoal briquettes. It will do one thing, however, in terms of the purposefulness of a piece of legislation. It will direct the national conscience and attention to the existence of poverty and to the fact that we have every reason—moral and in policy—to deal with it on a concerted national basis, considering our affluence as a people. This the bill will do, and that is why I am for it. But, Mr. President, there is much to be done about it, and I hope in the course of our debate that we will do things that need to be done.

Let us remember that dealing with the question of poverty has always been considered a local job, and it is a fact that literally billions are being spent on this problem very wisely by private philanthropic agencies as well as agencies at all levels of government.

Let us also remember that the Federal Government is engaged in many programs directed toward approximately

the same objective. Those programs include a wide latitude of State-Federal grants-in-aid programs involving services for children, welfare, old age, medical assistance for the aged, aid to the blind, aid to dependent children, aid to the totally and permanently disabled, all of which involve billions of dollars of Federal moneys.

Indeed, as shown on pages 76 and 77 of the committee's report, there are listed programs totaling \$31,811,345,000 which the Federal Government is expending on antipoverty programs.

A good many of them could be discounted and it would still leave many billions of dollars.

The importance of this bill is that for the first time it charges the national responsibility and national conscience with a concerted war on poverty. That is all to the good. I believe all Americans will have to join in this war. It is a war that will take years to win and will require good organization.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. GORE. It was my impression that when Congress enacted the Full Employment Act it made a moral, political, and legal commitment with respect to employment opportunities. Therefore, although I expect to vote for the bill, small as it is, I do not believe it represents any particular innovation in principle.

Mr. JAVITS. I thoroughly agree with the Senator. That is the burden of what I am trying to do. I thought that we should have a realistic understanding of what we are doing. I am now coming to my next point, which is exactly consonant with what the Senator from Tennessee has suggested. In other words, the means are very important. It is important that the war on poverty be organized in such a way that it can go on over a period of years effectively and efficiently with the use of relatively limited resources—because we realize that the resources are very limited.

I believe the biggest deficiency in the bill is the lack of coordination between the Federal Government and other elements of our society which are working on this problem.

A great amount of work is being done in the private sector, as well as in the public sector. The great danger exists that there will be an administrative overlap and duplication, and that money and effort will be rather aimlessly spent.

That is the central core of the problem with which we must deal.

I approve of dedicating the National Government to this struggle and to the winning of it, just as I approved of the principle of dedicating the National Government to the war on unemployment, which represented the pledge of the Full Employment Act.

The idea which seems to prevail among those who brought the bill to us is, in my judgment, somewhat worrisome. I shall propose an amendment in a moment, and I shall discuss it. The amendment is designed to deal with this problem.

Those who brought the bill to us in all

good will—and I do not question their sincerity—felt that the thing to do was to jump into the local community, and in a spectacular fashion deal with and cure large pockets of poverty and bring back a great number of school dropouts, and in that way have an important and major effect upon the country.

It seems to me, with all due respect, that while this course involves pyrotechnics and perhaps is good for politics, it is not particularly fruitful for those whom the program would help, and is not a sober proposal with respect to what could be done in mobilizing for the war. We are really mobilizing for war.

A good many amendments have been added to the bill, and I am happy to say that they were added. They buttress what we are doing in establishing an organization which is capable of waging effective war on poverty and coordinating everything that is being done now, and utilizing the resources in key places where it is necessary to strengthen the best of what is being done.

However, I find one serious deficiency in the bill. The first point that I referred to is covered by amendments which now require close integration between this program and private and local governmental agencies.

The program does not as yet tie in adequately with the States, in the sense that the director of the program, as the program now stands, is authorized to proceed directly in each community or even directly with private philanthropic and welfare organizations, and is not required to endeavor to develop the program through the agencies of the States which are willing to develop it in a way satisfactory to the director of the program.

I believe that is a great mistake. I shall offer an amendment to deal with that problem. I point out, in order to show the way in which the problem came to us, that even in the youth camp program, which the Senator from Minnesota [Mr. HUMPHREY] has been discussing, there was not taken into account the fact that many States—my own State of New York, the State of California, and the State of Michigan, for example—already have youth camps in operation exactly of the kind proposed to be authorized in the bill. It would be much more economical for the Federal Government and a great deal more efficient if State camps were expanded, and if the director were able to enter into agreements with States to accept some of the young people that he wants to send to those camps and put them in the existing State camps. These camps would be expanded in order to meet the capacity requirements.

It was only after we went into this phase of the discussion that an amendment was accepted, which is now incorporated in section 107 of the bill, to that effect.

The amendment which I shall propose—and I intend to call it up in due course—is designed to deal with the fundamental program of organizing effectively and efficiently for the assault on poverty, and of enlisting the States as far as they wish to be enlisted. Thus,



the whole program would not revolve around the Director in Washington, who, under the bill, would be permitted to go into any State and operate with any municipal or county subdivision or with any private agency in that State on a Washington-within-the-State basis.

My amendment provides that he shall use his best efforts to develop State plans in carrying out the major titles of the bill, and shall utilize State agencies and facilities, whenever and wherever practicable, either at the initiation of the programs or in the course thereof. He is also authorized to pay the expenses the State agencies incur in performing this function and to render technical assistance to help them get ready to perform those functions.

Boiled down, this means that the anti-poverty program may be started in any State without the consent of that State, if the Director feels that that is what he wishes to do; but the State is to have an opportunity to take it over if it shows itself able to do it and the Director of the program finds that it is a practicable arrangement.

If a State claims that it is ready to take over the program, and makes a showing that it is able to handle it, the burden of proof will shift to the Director of the program to show that he has a reason why he cannot or should not turn it over to the State. This means a whole operation under a particular title in a proper way and not on individual applications.

In addition, there is nothing in my amendment which would prevent the Director from moving into a particular State or subdivision of the State or in dealing with a private agency within a State, before the State has an opportunity to assert its desire to operate the program. It may assert that desire at a later time than when the program is initiated. The program would go right ahead in the meantime.

Hence, both purposes are served. The States will conduct the program within their own borders in every case in which they can do so practically, the administrator must show that when a State says it can and he says it cannot the State really cannot do it and the program is not held up by State operation as a condition precedent.

But the Administrator is in no way inhibited. There is no condition precedent to his going into any State and beginning work under this program. He knows that nothing can be held up, nothing can be delayed, nothing can be thwarted in the way of active work which he feels he must do.

As one goes through the bill, it is expressly contemplated in almost every part of the bill that there shall be State plans. If there are to be State plans, then a State ought to have a right to run those plans, if it can. I have even provided that if it can, it shall be within the judgment of the Administrator. But it is a fact that the Administrator will have to account to the State and to the President if he claims it is not practical, and a State claims that it is.

The requirement for State programs or State plans occurs in every section of the

bill: the work training plan, section 113 (a); the work study program, section 126; title II, which relates to community action, contains a provision for allotment by States, which is section 203(a); section 209(a), which relates to action even within a State, as between urban and rural communities. There, too, State plans are contemplated. Section 210 is to the same effect. Section 311, with relation to migrant agricultural workers, calls for State plans. Section 603(a), as to the domestic Peace Corps, calls for State plans.

Throughout the bill, the idea of State plans is frequently advanced. But it is not coupled with an opportunity—I emphasize the word “opportunity”—for State administration, if the State is able to do it, and without in any way impeding the beginning of the program or preventing the Administrator from moving into an area where the program is to be carried out in order to fulfill the most urgent needs of the country as quickly as possible.

Where there is a program whose resources are essentially seed money, essentially coordinating money, essentially money devoted to the dedication of the national purpose, the war on poverty, rather than being able to mount a complete antipoverty program itself—which it is clearly admitted the bill cannot do—it seems to me that in those instances the States must really take part in the program in an important way. I believe the bill does not provide for that. My amendment would do it in a way which would not incur the argument that it would delay, frustrate, or stop anything at anytime, when the States are fully introduced into the administration of the program.

The leading welfare programs financed by the Federal Government, together with the States, are State administered.

That applies to the Kerr-Mills medical care for the aged; old age assistance; aid to dependent children; maternal child health service; crippled children's service; child welfare service; aid to the blind; aid to the disabled; unemployment compensation; the various programs for migratory labor; social security; and the public assistance programs. All of these programs are State administered.

It seems to me that what we should seek to do with this program, within its ambit of what it is capable of doing, is to give it the most competent organization, so that it may proceed with the best possible effect.

There is grave danger that if the administration of the program and its supervision are concentrated on the national level alone, it will break down through the sheer inability of the bureaucracy to give it the supervision which it requires, and that it will break down through the sheer lack of selectivity which comes from trying to look at the whole United States in the mass from right here in Washington. It will break down by too much of the burden of supervision, throwing it upon local and private agencies, without a State intermediary, and therefore becoming an uncoordi-

nated program without reference to its basic, central purpose.

It is very much to the interest of the program itself that it should have, where practicable—and that is the only thing I provide—a firm, fundamental State base. This will be very good for the success of the program and very good for those in the country who would benefit from it.

The argument is made against this amendment that it will place the burden of proof on the Administrator; that he will have to demonstrate, where he refuses to turn anything over to a State, although the State is asking for it, that it is impracticable on the part of the State. This is a burden which, in the interest of the efficiency of the program, the Administrator should bear. This is no different from many Federal-State programs which cannot be started in a State unless the consent of the State and the State administration has been obtained.

It is a little difficult to see how this program could be pursued in a State which was really hostile to it, or where the State government was really hostile to it.

Therefore, I believe that in opposing the amendment, those who testified before us, including the prospective Administrator, Mr. Shriver, were really tilting at windmills. Nonetheless, I believe the Senate has to face its responsibility as to how it wants the program to be run. It is a new program in the sense that it is a coordinated attack on poverty on the national level. We ought to realize that such a coordinated attack, designed to arouse the national conscience, can be extremely helpful by providing at all levels of government, as well as at the level of private initiative, a program which will be most helpful and coordinated.

Therefore to bypass the States would be a great mistake. I know it will not be possible to get every State in a position where it will assume this responsibility; but we also know that many States will. For example, I am sure that my own State of New York will, and that it will be of tremendous benefit to the program.

I do not argue that politics at the National level is nonexistent, or politics at the State level. Naturally, there will be some political considerations in any program which is operated through the Public Treasury. The important thing is that in matters of welfare, so far as it is humanly possible to get them down to a more local level than Washington, there is a greater degree of responsiveness and of local initiative than in the amorphous community which is Washington.

As a practical matter, no national administration is likely to be defeated on an issue which arises under a program of this character, unless it is of some unusual magnitude and public interest. But a State administration could easily be defeated on an issue which arises under a program of exactly this type, or it could be elected on such a basis. That is all to the good, rather than the bad.

So in summary, this is a very desirable national move. I do not see it as curing poverty in the United States. It is the



beginning of a war which we hope to win, and which I think we have a good chance to win, a war which we ought to approach on a national basis.

But in order to do what we wish to do, in order to realize our objective, we must take precaution to see that the program is closely knit, well put together, well administered. This can be best obtained by having administration, where at all possible, at the State level, followed at the local levels of government.

Mr. President, I am much interested to learn that editorial opinion upon this subject has generally adopted the ideas which I have just laid before the Senate. I ask unanimous consent that the leading editorial in the New York Times of July 21, entitled "Debate Over Poverty," which carries out every concept that I have just advanced to the Senate, may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### DEBATE OVER POVERTY

Senate conservatives led by BARRY M. GOLDWATER are mustering their forces for a counterattack against the administration's request for \$962.5 million to conduct its war on poverty. Senator GOLDWATER and his comrade in arms, Senator JOHN G. TOWER, of Texas, served notice of their opposition by voting against the antipoverty program in the Labor Committee, and they will now carry their fight against "handouts" and the "institutionalization of poverty" to the Senate floor.

The administration's antipoverty bill has its shortcomings, but Mr. GOLDWATER's criticisms do not make sense. Handouts are conspicuously absent in the proposed Job Corps, which will give basic education and work experience to teenagers, and in the work-study program, which will enable promising youngsters to go to college. The specter of increasing Federal control cannot be reconciled with the program's emphasis on community action, with Government aid specifically channeled and distributed by local groups. These projects will account for most of the funds being sought by the administration.

Far from being wasteful or overly ambitious, the antipoverty program is, we believe, too small and too limited to cope effectively with the problem. The whole idea of opening up opportunities to get people off relief and out of the rut of poverty calls for much greater stress on education and expansion of other needed public services. The program will also demand greater imagination in exploring techniques that can furnish work training and education to those who are deficient in discipline and skills.

The administration's plan represents the bare beginning of an assault against poverty. It is essential to make an initial commitment to eradicate the tangled and stubborn roots that have kept so many people from sharing in the Nation's prosperity. The debate will serve little purpose if the Republicans simply seek to oppose the administration's program. Debate will be meaningful, however, if it focuses on the flaws—the lack of any statistical criteria to evaluate projects, the gaps in education and training, the duplication of effort—that will handicap the antipoverty campaign. Even more important, the war on poverty depends on unity between Federal, local and private bodies, and avoidance of narrowly partisan discord.

Mr. CARLSON. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I am glad to yield.

Mr. CARLSON. I have listened with interest to the discussion of the distinguished Senator from New York in regard to the operation of the pending legislation as it affects States.

As a former Governor of a State, I am concerned about the proposals in this particular piece of proposed legislation, for while there are indications in it that the States will be consulted, I do not find any specific language which ties it into State operations. Therefore, I was wondering what suggestion the Senator from New York might have which would tie this into a State program which is not in the bill.

Mr. JAVITS. I should like to read the amendment which I propose to call up to this particular bill, which is as follows:

In carrying out the provisions of parts B and C of title I, part A of title II, and part B of title III,—

Those are the major money operatives parts of the bill—

the Director shall establish procedures which shall facilitate effective participation of the States in programs assisted under such parts. In pursuance thereof he shall use his best efforts to develop State plans to carry out the provisions of such parts and shall utilize State agencies and facilities in the administration of such parts whenever and wherever practicable, either at the initiation of programs under such parts or in the course thereof. Procedures established by the Director shall include provision for the referral of applications for assistance under such parts to the Governor of each State affected, or his designee, for such comments as he may deem appropriate in cases not otherwise provided for in this subsection.

(b) The Director is authorized to make grants to or to contract with States and appropriate State agencies for the payment of the expenses of such agencies in performing their functions under subsection (a) hereof, and for the purpose of providing technical assistance to State and local government agencies in developing, conducting, and administering programs under the parts of this Act listed in subsection (a).

What that does, if the Senator will allow me to explain it to him for a moment, is to chart a middle course between those who would have us prohibit the program from entering a State unless that State agrees and takes it over, and those who would have us agree that the Administrator shall conduct it from Washington, enlisting the States only as he might consider desirable. The middle ground is that we put the burden of proof upon the Director that if State A, for example, says, "We are ready to take over," and the Director says, "No, you are not," when he comes around for money or authority, he will have to account to us, or to the President. The bill calls for it. But the burden of proof will be on him, if he denies State A the right to take over a program when it says it is ready to take it over. On the other hand, it would not prevent him from going to State A and operating there under the program, until such time as the State says that it is ready to take it over.

That is the middle ground I have tried to chart.

Mr. CARLSON. Mr. President, will the Senator from New York yield further?

Mr. JAVITS. I am glad to yield.

Mr. CARLSON. As I stated, I have not read the hearings. I am not familiar with the complete import of the language. I know the purpose and intent of the proposed legislation. But, under the bill, what would be the position of the Governor of a State? Would he have any authority whatever unless the Director of the particular agency or program wished to consult him?

Mr. JAVITS. He would have no authority to take over one of these programs unless the Director wished to turn it over to him, unless an amendment such as mine is adopted. The only mandate on the Director is contained in section 209(a) of the bill, on page 71. If the Senator will turn to it, it will help him understand what is in the bill. I shall read it, because it is really the only language in the bill on the subject:

The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

That is the major money expenditure part of the bill, which involves about a third of the bill in money expenditure—Such procedures shall include provision for the referral of applications for assistance under this part to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

That is what is in the bill now. We had proposed to change that by inserting a section containing everything it contains plus requirements, the mandate on the Director's program, to turn over programs for State operation on the request of a State when the Director considers the State administration to be practicable.

Mr. CARLSON. As I mentioned earlier, many of us have worked with, cooperated with, and taken complete action on Federal-State programs.

As a former Governor of a State, who was an elected official of the people, it seems to me that in passing this proposed legislation, we should be certain that the Governor of a State is not bypassed, because, after all, he has a great personal and official interest in a program which would be in behalf of the people who are in need of aid in his State—the poverty program, if I may use those words.

It seems to me that the Senator from New York has made a suggestion which has great merit.

Mr. JAVITS. I am grateful to the Senator. Let me tell him that others are probably seeking to substitute for my amendment an absolute condition precedent for State administration. I would oppose such a provision in which I consider to be an antipoverty program. I believe that the middle ground of letting



the Director go in, but requiring him to show cause, as it were, why he should not turn the program over to a State on the request of a State, is the best plan to keep away from the argument that poor people will not be helped because of the obduracy of some State. At the same time, it would not deny to a State the opportunity to take over a program if it is fully able to take it over effectively.

Mr. CARLSON. If the Senator from New York will permit me, I would agree with him in that latter statement, but I assure the Senator from New York that there are many States that would be willing to cooperate effectively in a program of this type.

Mr. JAVITS. The amendment I have proposed would result in a large part of this program being under State administration in a relatively short period of time. As always happens in these programs, the States take over slowly when there is not much enthusiasm for a program. In this case, they could move as fast as 1 year. Most of the States which took over the program which was offered to them have moved within 1 year.

#### PRESIDENT OF NEW YORK STOCK EXCHANGE OPPOSED TO INTEREST EQUALIZATION TAX

Mr. JAVITS. Mr. President, I would like to call to the attention of the Senate an article which appeared in the July 6, 1964, issue of the New York Times indicating the strong opposition of Keith Funston, president of the New York Stock Exchange, to H.R. 8000, the interest equalization tax bill.

Mr. Funston bases his opposition on the grounds that the measure would be ineffective as a remedy for our balance-of-payments problem and that it would discriminate against stocks.

As positive alternatives to the tax proposal he proposes two excellent alternatives: Full implementation by the Congress and the administration of the recommendations of the Presidential Task Force on the Balance of Payments—otherwise known as the Fowler Committee—and, if it becomes necessary, a voluntary capital issues committee.

As my colleagues know, I am opposed to the proposed tax. I do not believe that it would work, or that there is continued justification for the measure. Should a new balance-of-payments emergency arise in the future a much more effective approach would be needed. A capital issues committee, would, in my view, and in the view of a great many members of the financial community, do the job with far greater effectiveness.

I ask unanimous consent that the New York Times article, as well as my July 2 statement before the Senate Finance Committee on H.R. 8000, may be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article and the statement were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 6, 1964]  
FUNSTON JOINS THOSE OPPOSING INTEREST-EQUALIZATION TAX BILL

(By Vartanig G. Vartan)

Keith Funston, president of the New York Stock Exchange, has joined the parade of people asking Congress to reject the interest-equalization tax bill. The proposed tax, which already has cleared the House, would be levied on foreign securities purchased by Americans from foreigners.

The graduated tax scale runs up 15 percent. The bill is being pushed by the Johnson administration.

Mr. Funston made known the views of the big board over the weekend in a statement filed with the Senate Finance Committee. The committee completed public hearings last week on the legislation.

An exchange spokesman said that Mr. Funston, who did not appear in person in Washington, was on the west coast last week on a business and vacation trip.

#### TWO OBJECTIONS

Mr. Funston opposed the tax on two chief points. He said it would be ineffective as a remedy for the balance-of-payments deficit and also that it would discriminate against stocks.

In place of the proposed bill, he urged Congress and the administration to give full support to recommendations in the Presidential task force report on the balance of payments.

And, if necessary, Mr. Funston said, a voluntary capital issues committee could be set up to screen capital issues coming to the U.S. market from abroad.

In his statement, he scored the tax bill for being "out of step with the trend toward international cooperation, inconsistent with other U.S. policies in the international field, and alien to our own history of promoting free capital movement."

#### AIMED AT DEFICIT

The idea behind the proposed legislation is that by cutting down on the sales of foreign stocks and bonds in the U.S. market, it would reduce the payments deficit. This is the gap between the amount of funds flowing out of the country and amount returning.

The bill would levy a tax during the period from July 19, 1963, to December 31, 1965. One impact of the proposal already has been to lower the market prices of many foreign securities in this country and to curtail substantial trading in these issues.

"The tax should not be passed, even as a temporary measure," the exchange president said.

"Passage would offer only limited relief to our balance-of-payments position, while imposing restrictions on U.S. capital at a time when we are encouraging others to open their capital markets to foreigners."

"Enactment of this tax," he added, "will serve as a precedent for any country to justify imposing or continuing restrictions on capital flows, and raise questions about U.S. intentions in the whole payments area."

#### STATEMENT BY SENATOR JAVITS

I appreciate the opportunity to testify before this committee in opposition to H.R. 8000, the interest equalization tax bill, a measure which is of particular interest to me and to the New York financial community, and which has a critical bearing on the national economy.

Let me make it clear that I feel this measure is nothing more than a new kind of protective tariff which when enacted will not only be incapable of doing the job it is designed to do, but which can have a deleteri-

ous effect on the role of the United States as the financial center of the world. I also agree with the conclusions of many experts that there is no present emergency, and that there are alternatives better able to reduce our imbalance of international payments if any emergency arose. Of these alternatives, I believe that the creation of a capital issues committee, under the guidance of the Treasury, would be most effective.

Since the President's balance-of-payments message last July, I have repeatedly addressed myself to this subject. I would now like to summarize my position on the bill:

1. I believe that the tax is a new protective tariff designed to limit the importation of foreign securities. Viewed from the opposite point of view it is a duty on exports of private capital for investment abroad. This is a significant departure from our traditional policies regarding the free flow of capital and our postwar multilateral approach. As significant, in fact, as would be a return to high protective tariffs on U.S. imports regarding our commitment to liberalize world trade. We would be setting a very bad example to the other countries of the Western World which we have urged to reduce their international trade barriers and to maintain, as much as possible, the highly desirable goal of freer flowing capital and exchange of goods and services between friendly countries.

2. This tax would be an exchange control of limited capacity. It would be a tax specifically designed to control and restrict. It would delegate to the President discretionary powers of application and exemption.

3. As indicated in Secretary Dillon's letter to me of May 28, 1963, an increase in U.S. long-term interest rates—which would be the effect of the proposed tax on foreign investors—would not achieve the basic objective of this measure. The Secretary stated: "even if long-term interest rates rose above those in Europe and Japan, we would expect foreign governments and corporations, particularly those needing relatively large amounts of money, to resort to the highly developed U.S. market."

Even after a 1-percent increase in the interest cost to foreign borrowers in the U.S. market it will still be cheaper, or as cheap, to borrow here as in most European countries. Underwriting costs in Europe, for example, are considerably higher than in the United States so that even with the tax, borrowing in the United States may be more attractive than borrowing elsewhere.

Furthermore, a decrease in U.S. capital supplied to foreign markets will result in an increase in demand for foreign capital and a pressure for higher interest rates abroad. While the interest rate spread between the United States and Europe initially would be reduced by about one percentage point under the bill, the spread probably would return to approximately its pretax size after the offsetting increase in foreign rates that would likely result.

4. Still valid today are the sentiments expressed in a September 1, 1963 New York Times editorial: "The tax is difficult to reconcile with President Kennedy's assertions that the present tax structure must be simplified and trade barriers reduced. The addition of the tax would complicate the tax structure and would establish a tariff on capital, putting into effect a two price system for funds. And despite the administration's claims that the tax will not interfere with the workings of the free market, it is clearly a form of control."

5. The exemptions provided for in the bill exclude from the tax the major areas of capital outflow, taxing only a relatively insignificant total of transactions—about 10 per-



cent of total private U.S. capital exports according to careful estimates of the Association of Stock Exchange Firms. These would include the purchase of foreign stocks and the purchase of new foreign bonds (other than Canadian, which are exempt) where the borrower is precluded from obtaining the funds from a bank. Since most lending abroad—and for the most part foreign bonds—are purchased by U.S. institutional investors such as banks, insurance companies and the like, the net effect is to permit banks to lend money abroad tax free, but to deny to the other institutional investors the same right. The foreign borrower is "funneled" into the bank loan route. Interestingly, U.S. bank loans to foreigners have increased since the tax was proposed. Preliminary Treasury, Commerce and FRB figures indicate that commercial bank loans to foreigners have more than tripled: from approximately \$400 million in 1962 to \$1.28 billion in 1963. I might also add that direct investments which are exempt from the tax, have exceeded the net outflow caused by new securities in every year since 1960, including 1963 and the first quarter of 1964. The bill also provides exemption from the tax on original or new issues where the President determines that it is required for the stability of the international monetary system. This loophole could severely limit its effect on the U.S. balance of payments, which is already weakened by numerous exemptions.

6. The tax would be inequitable because it would penalize the small investor who would be subject to the tax on the purchase of a few shares or a few bonds of a foreign corporation, while a large company, or a wealthy individual could purchase tax free a substantial interest in the same foreign corporation. The bill exempts from the tax purchases involving 10 percent or more of the total combined voting power of all classes of stock of the foreign corporation.

7. The tax might very well worsen our balance-of-payments position. Dr. Lawrence Krause, of the Brookings Institution, has noted that "you must always distinguish between improving the balance of payments and stopping a capital flow. These are not identical. You may deter some capital flow and you pay for it in lower exports or some other feedback in the balance of payments." The program to tax American capital investments abroad thus may offset the benefits to efforts to increase U.S. exports.

8. Nearly every witness before this committee and the House Ways and Means Committee who was questioned about the interest equalization tax proposal either opposed it or supported it only with the greatest reluctance. Even its advocates have admitted that it would not be desirable as a permanent measure, yet experience suggests that such "temporary taxes" often become permanent.

In spite of this general lack of enthusiasm, the administration continues to press for its approval with the unconvincing argument that if the bill does not pass, foreigners will feel that the United States is not serious about eliminating its balance-of-payments deficit. In fact, rejection of this tax will strengthen the confidence of foreigners in the strength of our adherence to basic and oft-stated principles of a national policy of free and open world markets for goods and capital.

The proposed tax would erect an artificial wall to the free flow of private capital with longrun effects that would be damaging to both our domestic economy and our foreign economic policy. The New York Times commented editorially on July 24, 1963: "This measure is inconsistent with the position of the United States as the world's banker and with the long-standing objective of lowering barriers to trade and capital movements. Instead, it suggests that we are regressing toward direct controls over capital, which led

to the breakdown of international finance a generation ago."

9. The persistent deficit in our balance of payments is not attributable to private investment abroad. As the Brookings Institution recent report on the balance of payments pointed out, receipts of dividends and interest on U.S. investment abroad have consistently exceeded new outflows of U.S. capital to foreign countries, with the exception of the 1957-58 period. The Brookings study said that, although earnings primarily reflect investments made in previous years, recent new U.S. investments abroad already seem to be contributing to higher return flows to the United States.

In his message of July 18, 1963, introducing the proposed interest equalization tax, the late President Kennedy pointed out that total U.S. foreign investments amounted to an estimated \$72 billion, including approximately \$12 billion of relatively low-yield loans extended to foreign governments by the U.S. Government and such agencies as the Export-Import Bank. Of the remaining \$60 billion, the so-called "direct investments" account for approximately \$47 billion, while "portfolio investments" are estimated at roughly \$12.5 billion. Total 1963 income enjoyed by the United States on account of foreign investments was estimated by the President at \$4.3 billion, which is the largest income item on the U.S. balance of payments.

It is, therefore, not surprising that so much criticism is directed at the proposed legislation. While few can argue against the need for effective measures designed to create equilibrium in our balance of payments, many are appalled at the thought that the interest equalization tax is directed against the one type of capital export which contributes more toward a future equilibrium than any segment of our economy.

I would now like to comment briefly about developments here in this country and abroad since last July which I believe call for a reappraisal of the need for the bill at this time.

Since the introduction of this measure there have been several important developments which already have and will continue to have in the future a favorable impact on our balance of payments.

The condition of economic growth in Europe and the relatively slow growth in the United States has been reversed. By the time H.R. 8000 was proposed in July 1963, both the U.S. economy and the U.S. securities markets were outstripping their overseas counterparts. Growing labor cost produced by a shortage of workers and increasing production costs and spiraling prices have produced the familiar profits squeeze in Europe and have slowed growth. American investors also have been taking a much harder look at European companies. Recent financial difficulties experienced by Machines Bull in France and Olivetti in Italy have led to wide concern about the thin capitalization of many foreign companies.

European capital markets have expanded their internal lending activities significantly in recent years, even prior to the introduction of the proposed tax. This is a conclusion reached by a Treasury study entitled, "A Description and Analysis of Certain European Capital Markets," prepared for the Joint Economic Committee in connection with its study last year on the U.S. balance of payments. This expansion has already resulted in increased markets for foreign securities in Europe. According to Secretary Dillon's testimony Monday, sales of foreign securities in European capital markets increased from \$200 million during the first half of 1963 to \$600 million during the same period in 1964. This expansion has made possible the financing of projects from domestic sources previously financed with capital obtained in the United States.

Since the passage of the tax cut early this year, our investment climate has improved and investment for plant equipment has increased substantially. Such investments were 3 percent higher during the first quarter of 1964 than had been anticipated at late as December 1963. The total of such investments for 1964 is expected to reach \$43.9 billion, 10 percent above the fourth quarter of 1963, and 12 percent above 1963 as a whole. In striking comparison, the actual increase in capital spending between 1962 and 1963 was only 5 percent (increasing from \$37 to \$39 billion). The improved investment climate created by the tax cut has attracted U.S. investment which would have otherwise been invested abroad and may attract additional foreign investment to the United States.

Another factor that must be considered is the substantial expansion of our exports. Between 1962 and 1963, U.S. merchandise exports increased by \$1.4 billion, from \$20.6 billion to \$21.9 billion compared with an increase of \$566 million between 1961 and 1962. During the first quarter of this year, our exports were running at an annual rate of over \$24 billion, 21 percent higher than in the first quarter of 1963. It is not very likely that this increase will be sustained throughout the year; nevertheless, such factors as the stability of prices in the United States and continued inflation in Europe and more effective export promotion techniques will be of assistance in maintaining our exports at a high level. On the other hand just such a factor as this interest equalization tax could put a real damper on it.

We must also take into consideration that in contrast to preceding years the gold outflow has declined substantially in 1963—our gold stock declined by \$460 million as compared with \$900 million in 1962—and during April 1964 our gold stock has actually increased by \$178 million.

The most regrettable aspect of this measure is that it is another piecemeal attempt to deal with a problem which is much more fundamental; that is, the inadequacy of the international monetary system. This system was created in the immediate post-World War II period at a time when the major changes which have taken place in the subsequent 16 years were not foreseen. The modernization of that system requires a new look at the adjustment process inherent in the present system and at the manner in which international credit is created by the system. Today it takes years to eliminate major international imbalances unless they are corrected by measures which hamper economic growth and world trade. There is a need for the development of a more flexible adjustment process—in the area of prices, wages, fiscal and monetary policies, interest rates—which permits the speedy restoration of balance-of-payments equilibrium without placing excessive penalties on one or another member of the system. There is also a need to provide for adequate international credit to permit a rapid expansion of international trade and financial transactions.

Today, New York is the preeminent financial market of the world. This is of great economic and political importance. We displaced London as the world's financial center because of the World Wars and the ensuing limitations that Great Britain had to impose upon its capital markets.

If we can help it—and we can—we should not lose our present preeminence to Paris, London, Zurich or any other financial center.

This bill, coming on the heels of the April 27 report issued by the Fowler Committee—the Presidential Task Force on the Balance of Payments—which suggests effective approaches to our balance-of-payments problem on the basis of cooperative steps by



government and private enterprise, may very well confuse our friends overseas. On the one hand, we put barriers in the way of U.S. citizens purchasing foreign securities, while on the other, we propose to persuade foreigners to buy more U.S. securities.

What about alternatives? Of the several alternatives proposed I would recommend to the committee's attention two possible approaches contained in two amendments I introduced yesterday:

(1) To give to the President, in lieu of the interest equalization tax, standby authority to bring into existence a capital issues committee to regulate the outflow of new securities; (2) should the committee decide to favor the present bill, it should be amended to exempt from the tax any new debt or equity issue of a foreign issuer or obligor if not more than 25 percent of the principal amount of bonds or number of shares of the aggregate issue sold are sold to U.S. persons. In addition the Secretary of the Treasury would have discretionary authority to increase or decrease the specified percentage applicable to all issues from time to time, in accordance with the Treasury's view on the U.S. balance of payments.

I am opposed to the tax in its present form. I do not believe that present circumstances call for it. Should a new balance-of-payments emergency arise, however, the Congress should give the President effective authority to deal with this situation. A capital issues committee, composed of representatives of the financial community under the guidance of the Treasury or Federal Reserve Board, could effectively limit the sale of foreign security issues to U.S. citizens, residents, or to domestic corporations, or other entities, public or private.

There is precedent for this amendment in section 708 of the Defense Production Act of 1950, as amended, which resulted in the formation of the Voluntary Credit Restraints Committee during the Korean war period.

There are several advantages to this approach. Such a committee would only be established for the duration of an emergency and could be dismantled at will. That would not be the case with the tax, which would remain in effect at least until the end of 1965 whether needed or not and a law would have to be passed to abolish it beforehand.

Finally and very importantly, whereas the interest equalization tax is new and untried—no one has had any experience with it in actual operation—a capital issues committee is a tried and true operation, which has not only been used in this country, but in Switzerland, the United Kingdom, the Netherlands, and France as well. It is known and trusted in Western Europe. The Swiss National Bank and the central banks of the United Kingdom, the Netherlands, and France exercise reviewing authority over foreign security issues either alone or jointly with private financial institutions. Therefore, the proposal for a capital issues committee is not a new one. I may add that it has the support of respected members of the financial community in the United States, including the Association of Stock Exchange Firms.

The second alternative is based on a proposal made by Nathaniel Samuels of Kuhn, Loeb & Co., of New York, and chairman of the Foreign Investment Committee of the Investment Bankers Association of America. I believe this proposal has a great deal of merit which would make possible the tax-free entry into the U.S. capital market of at least a certain percentage of new foreign security issues, thereby enabling the U.S. capital market to retain its preeminent position as the world financial center.

In summary, my position is that the proposed bill is not now necessary, and even if an emergency arose, it would be unequal to the task assigned to it. I also believe that there are alternatives available that would

be more effective in correcting our imbalance in international payments if a new emergency arose.

#### SENATOR AIKEN'S SPEECH AT REPUBLICAN NATIONAL CONVENTION NOMINATING SENATOR MARGARET CHASE SMITH FOR PRESIDENT

Mr. CARLSON. Mr. President, the distinguished Senator from Vermont [Mr. AIKEN] at the Republican National Convention, nominated for the Presidency one of the most outstanding Members of this body, Senator MARGARET CHASE SMITH.

I ask unanimous consent to have his nominating speech printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Mr. Chairman and delegates, I intend to nominate for President one of the most capable persons I have ever known and one with whom I have been associated in public service for 24 years.

I don't like to start a nominating speech with a confession, but the circumstances are compelling.

In introducing my candidate, I find myself in a most peculiar position; I am severely restricted in what I can offer for your support.

I can't promise you a Cabinet job, an Ambassador's appointment—or even a shot at a nice Government contract.

I can't even offer you cigars or chewing gum.

For a while, it looked real promising. I thought I could at least invite you all out for coffee because I knew my candidate was having checks and \$10 and \$1 bills and pennies sent her from most every State in the Union. Pennies came from schoolchildren—and dollars from low-income people who couldn't afford it. Then there were some beautiful checks in three and four figures from real important business people. The outlook looked as rosy as a Pacific sunset.

You and I were going to have a wonderful time here in San Francisco.

Then do you know what happened? Do you know what my candidate pulled on me?

She took every big check—every little check—every \$10 bill—every \$1 bill and every penny and sent them straight back to where they came from. My candidate wants the nomination solely on her record and her qualifications for the job. And that's why I can't offer you any candy or cigars or chewing gum or even ask you all out for a cup of coffee.

The only thing in the world left for me to offer you for your support is the best managed government the United States ever had—a government headed by the best qualified person you ever voted for.

Before setting forth the qualifications of the candidate I shall shortly present to you, let it be distinctly understood that I am concerned solely with the nomination of one who is best qualified for the job and who can bring victory to our party in November.

I am not making this nomination for the purpose of embarrassing any other candidate.

I intend to support the nominee of this convention next November.

What do we have a President for?

Certainly not to do just those things which you and I as individuals would like to have done.

Certainly not to run this country exactly as he or she would like to run it.

If that is the way we feel, we should promptly scrap our Constitution and become a monarchy.

Until we reach that state of political depravity, however, the President of the United States will be required to perform the duties of the office as set forth by our Constitution and to administer laws and carry out programs as laid down by the Congress.

In carrying out programs and administering laws as determined by the Congress, the President will necessarily use the great powers which originally were vested in the Congress but which have long since been delegated to the executive branch.

There are some Republicans who still insist that Congress rescind these delegations of authority.

Let us not kid ourselves, however. The next President, whether Republican or Democrat, and regardless of race, creed, color or sex, is not going to recommend that Congress rescind the powers that have been delegated to the White House over the past century.

In view of this situation, it is far more important to elect a person of integrity and ability to the Presidency—one who owes allegiance to no special interests—either domestic or foreign—one who will conscientiously perform the duties of the office as prescribed by the Constitution—than it is to elect one on the premise that he or she may agree with our particular viewpoints.

I have definite ideas as to the qualifications our candidate for President should have. I say unequivocally that the candidate I will propose most nearly meets that criteria.

1. A President should have integrity. Whether dealing with foreign nations or the folks at home, integrity is a priceless asset. My candidate stands ace high in this respect.

2. A President should have ability. Good intentions alone are not enough. We don't want the floors of the White House paved with good intentions.

If my candidate does not have ability, then the 44 universities and colleges that have awarded her degrees based solely on merit have been wrong.

3. A President should have had wide experience in government.

Well, if 24 years' experience on the roughest, toughest, committees of the Congress—Defense, Space, Appropriations, Government Operations and Rules don't qualify my candidate then the other candidates whose names are being submitted to you cannot possibly be qualified for none of them can approach her record.

4. A President should have courage—courage to stand for the right when it may not be popular to do so—courage to stand for decency in the conduct of public affairs—courage to stand alone if necessary against formidable odds.

Does my candidate have this kind of courage?

I can refer you to several high ranking officers of the U.S. Armed Forces who have learned from experience that she is ably qualified in this respect.

As a sincere testimonial to her courage the Reserve Officers Association has recently designated her as "Minute Man of the Year"—the first time that this great honor has ever been conferred upon a person of her sex.

5. A President should have common-sense.

My candidate stands par excellence in this respect.

Time and again I have watched her keep her head "when all about her were losing theirs" and blaming it on everyone but themselves.

She wants to get things done that ought to be done—and she wants them done right.

She does not panic when things don't go to suit her. She just keeps on headed for her goal—which at this moment is the Republican nomination for the Presidency.

We need a candidate that does not panic in a crisis, not even a campaign crisis.



Nor should we support a candidate just because we are partial to any particular industry either at home or abroad. We don't want an industry in the White House. We want a living, capable, conscientious human being.

We want to nominate and elect a President who will promote the interests of our Nation both at home and abroad with impartial consideration for all.

We want a candidate who enjoys the confidence of people in all walks of life.

The one I shall nominate has demonstrated time and again that she "can walk with kings nor lose the common touch."

She never forgets her own people and the glare of glory has never turned her head.

The record majorities which the people of her home State have given her with each passing election are eloquent testimony to this trait of her character.

Her conduct during this campaign has been rather unusual. She has not neglected her work in the Senate to chase down delegates to this convention. The job she was elected to do has come first.

Running solely on her record and her qualifications for the office, she has spent no money for advertising—has hired no paid workers—has made no promises—and will have nothing to do with the wheeling and dealing—the trading and raiding practices which I understand have sometimes been used in political campaigns.

I now ask you two questions:

Do you want the United States to have good government? If you do—then vote for the candidate best qualified to give good government.

Do you want to win the November election? If you do—then vote for the candidate who enjoys the confidence and respect of all people and who can get the votes necessary to win.

I am now proud to nominate that candidate—Senator MARGARET CHASE SMITH of the State of Maine.

#### CONSTRUCTION AT CERTAIN MILITARY INSTALLATIONS—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10300) to authorize certain construction at military installations, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 21, 1964, pp. 15913-15920, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. STENNIS. Mr. President, I move the adoption of the conference report, and in connection therewith I have a brief statement to make.

The report was signed by all conferees on the part of the House and the Senate and has been agreed to by the House.

In regard to the net money figures in the bill, the sum total agreed to in conference is \$1,534,994,000, which is only \$13,192,000 above the amount granted by the Senate and \$55,672,000 below the amount of the House-passed bill, for a

net reduction of about \$316 million below the amount requested.

Of the 80 points of difference between the Senate and the House versions of the bill, the House receded on 67 and the remainder were settled with little difficulty, as can be seen from the relatively small increase over the amount granted by the Senate.

There were no major changes made in the Senate-passed bill by the conferees. The Senate conferees receded only on those items where additional evidence seemed to indicate the projects were sound and to the advantage of the Government. This slight increase consists almost entirely of projects at six locations; namely, two academic facilities for the Army, two relocation projects which will permit a savings to the Government, an aircraft rework hangar, and three operational items at Roosevelt Roads, Puerto Rico.

There is one language provision that I wish to mention, and that is section 605 of the general provisions. This is an annual provision that has been carried in the bill for several years and requires that contracts for construction provided for in the bill be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Bureau of Yards and Docks, Department of the Navy. This year the House modified the language to require this work to be divided between these two construction agencies on an equal basis when practicable. The Senate Committee did not consider this to be a practical amendment and deleted it. Principally involved is the construction for the Air Force, of which 70 percent is now performed by the Corps of Engineers and 30 percent by the Bureau of Yards and Docks. The Engineers have more offices located throughout the interior of the country than the Bureau of Yards and Docks, the latter being generally located along the coast. Thus, the Corps of Engineers is generally more strategically located to handle the work of the Air Force. Had the House language prevailed, it would have required, at least in theory, an increase in personnel for the Bureau of Yards and Docks and perhaps the opening of additional offices, with a comparable reduction in the Corps of Engineers. The House conferees insisted, however, that some addition to the annual language of section 605 was necessary to establish a more competitive spirit between the two construction agencies and to secure the most economical cost to the Government. Therefore the conferees agreed on compromise language which in effect permits the department or agency requiring such construction to select either of the construction agencies, as long as such selections will not result in any increased cost to the United States. The Senate conferees agreed with the understanding that the legislative history be established through the report of the managers, that this provision and the compromise language would not be so interpreted as to require the Department to disregard standards of economy and efficiency for the purpose of achieving statistical equality, and with a further

understanding that the Office of the Secretary of Defense will prescribe the standards and the manner in which they will be applied.

Mr. President, I am confident the results achieved are sound and that the construction needs of the military and the defense agencies have been adequately provided for in fiscal year 1965.

I move the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. YARBOROUGH. Mr. President, in 1946 Congress declared:

It is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy \* \* \* to coordinate and use all its plans, functions and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

These words are from the policy statement of the Employment Act of 1946. Today, we are considering the most important public welfare proposal to come before Congress in the 18 years since the passage of the Employment Act. The Economic Opportunity Act of 1964 is a logical extension of the 1946 legislation.

With the enactment of this bill it will be "the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this act to strengthen, supplement, and coordinate efforts in furtherance of that policy." The above quotation is from "Findings and Declaration of Purpose," section 1, Economic Opportunity Act of 1964.

The Council of Economic Advisers defines poverty as the inability to satisfy minimum needs. Using income of \$3,000 as a standard for a 4-person family and applying this to 1962 data, they find 20 percent of all families living in poverty. Three thousand dollars a year for a 4-person family would average \$750 a year per person. The Council recognizes that



a case could be made for setting the overall income limit either higher or lower than \$3,000, thereby changing the statistical measure of the size of the problem.

But the analysis of the sources of poverty—

The Council rightly suggests—  
would remain substantially unchanged.

The Council report goes on to point out:

No measure of poverty as simple as the one used here, would be suitable for determining eligibility for particular benefits or participation in particular programs. Nevertheless, it provides a valid benchmark for assessing the dimensions of the task of eliminating poverty, setting the broad goals of policy, and measuring our past and future progress toward their achievement.

Mr. President, the above quotation is from the Council of Economic Advisers' statements.

The sum of \$3,000 provides a weekly income of less than \$60 for a family of four. Assuming that one-third of this income is spent on food, amounting to \$5 per person per week, \$2,000 remains. With a minimum of \$800 to be spent on housing—whether for rent or for mortgage payments—heat and utilities, only \$1,200 is left—less than \$25 a week—to be spent for remaining essentials: clothing, transportation, school supplies and books, home furnishings and supplies, medical care, recreation, and insurance. The sum of \$3,000 is obviously not too long a yardstick with which to measure the extent of poverty when we consider that that is the yardstick that the Council of Economic Advisers selected for a family of four.

There are cold facts indeed, Mr. President, and they are disturbing. But they are not nearly so distressing as the stories of the individual human being who exist behind the figures. One may quarrel if he must with the sources of the statistics, or with the \$3,000 boundary for a family of four. But those who are critical cannot dispute the plight of the economically depressed. Those without adequate economic opportunity may be one-fifth or they may—as some critics have claimed—comprise one-tenth of our Nation. It makes no difference. We cannot in all true honesty deny the fact of their existence, and we must commit ourselves to recognizing that there is a human being behind every statistic.

Although as a nation we have been making progress in increasing economic opportunity, our rate of progress appears to be slowing down. From 1947 to 1956 the number of economically depressed families decreased from 11.9 million to 9.9 million, or from 32 percent to 23 percent of all families. But for the period from 1957 through 1962 the number decreased to 20 percent, a drop of just 3 percent, or in other words to 9.3 million families, a drop of only 600,000 families.

The Council of Economic Advisers points out that "even if poverty should decline at the relatively more rapid rate of the 1947-56 period, there would still be 10 percent of the Nation's families in poverty in 1980. And, if the decline in

poverty proceeded at the slower rate achieved from 1957 on, 13 percent of our families would still have incomes under \$3,000 in 1980." We cannot in good conscience leave the further elimination of inadequate economic opportunity to the general progress of the economy when we have ample resources to attack poverty more directly. With a gross national product of over \$625 billion, we are the richest Nation and the richest people who have ever existed in the history of the earth.

For most of the economic history of the United States, low incomes were a characteristic of a considerable part of the population. In the last few decades low incomes have increasingly become the province of certain groups.

First. The following are the low-income groups: In 1962, families headed by individuals 65 years of age and over made up only 14 percent of all families but comprised 34 percent of low-income families.

Second. Families headed by a person with 8 years of education or less were only 35 percent of all families, but comprised 61 percent of low-income families.

Third. Families headed by females were only 10 percent of all families, but made up 25 percent of low-income families—the widow struggling to support her children.

Fourth. Nonwhite families were only 10 percent of the population while totaling 22 percent of the low income group.

Fifth. Rural families comprised 29 percent of all families, but made up 48 percent of low-income families.

Mr. President, I ask unanimous consent to have table 1 printed at this point in the RECORD. This table contains statistics on the five categories just mentioned.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—Selected characteristics of all families and of poor families, 1962

| Selected characteristics                  | Number of families (millions) |               | Percent of total |               |
|-------------------------------------------|-------------------------------|---------------|------------------|---------------|
|                                           | All families                  | Poor families | All families     | Poor families |
| Total.....                                | 47.0                          | 9.3           | 100              | 100           |
| Age of head:                              |                               |               |                  |               |
| 14 to 24 years.....                       | 2.5                           | .8            | 5                | 8             |
| 25 to 54 years.....                       | 30.4                          | 3.9           | 65               | 42            |
| 55 to 64 years.....                       | 7.3                           | 1.4           | 16               | 15            |
| 65 years and over.....                    | 6.8                           | 3.2           | 14               | 34            |
| Education of head: <sup>1</sup>           |                               |               |                  |               |
| 8 years or less.....                      | 16.3                          | 6.0           | 35               | 61            |
| 9 to 11 years.....                        | 8.6                           | 1.7           | 19               | 17            |
| 12 years.....                             | 12.2                          | 1.5           | 26               | 15            |
| More than 12 years.....                   | 9.3                           | .7            | 20               | 7             |
| Sex of head:                              |                               |               |                  |               |
| Male.....                                 | 42.3                          | 7.0           | 90               | 75            |
| Female.....                               | 4.7                           | 2.3           | 10               | 25            |
| Labor force status of head: <sup>2</sup>  |                               |               |                  |               |
| Not in civilian labor force.....          | 8.4                           | 4.1           | 18               | 44            |
| Employed.....                             | 36.9                          | 4.6           | 78               | 49            |
| Unemployed.....                           | 1.7                           | .6            | 4                | 6             |
| Color of family:                          |                               |               |                  |               |
| White.....                                | 42.4                          | 7.3           | 90               | 78            |
| Nonwhite.....                             | 4.6                           | 2.0           | 10               | 22            |
| Children under 18 years of age in family: |                               |               |                  |               |
| None.....                                 | 18.8                          | 4.9           | 40               | 52            |
| 1 to 3.....                               | 22.7                          | 3.3           | 48               | 36            |
| 4 or more.....                            | 5.5                           | 1.1           | 12               | 11            |
| Earners in family:                        |                               |               |                  |               |
| None.....                                 | 3.8                           | 2.8           | 8                | 30            |
| 1.....                                    | 21.1                          | 4.3           | 45               | 46            |
| 2 or more.....                            | 22.1                          | 2.2           | 47               | 23            |

TABLE 1.—Selected characteristics of all families and of poor families, 1962—Con.

| Selected characteristics                    | Number of families (millions) |               | Percent of total |               |
|---------------------------------------------|-------------------------------|---------------|------------------|---------------|
|                                             | All families                  | Poor families | All families     | Poor families |
| Regional location of family: <sup>3,4</sup> |                               |               |                  |               |
| Northeast.....                              | 11.5                          | 1.6           | 25               | 17            |
| North central.....                          | 13.1                          | 2.3           | 29               | 25            |
| South.....                                  | 13.5                          | 4.3           | 30               | 47            |
| West.....                                   | 7.0                           | 1.0           | 16               | 11            |
| Residence of family: <sup>4,5</sup>         |                               |               |                  |               |
| Rural farm.....                             | 3.3                           | 1.5           | 7                | 16            |
| Rural nonfarm.....                          | 9.9                           | 2.7           | 22               | 30            |
| Urban.....                                  | 31.9                          | 5.0           | 71               | 54            |

<sup>1</sup> Based on 1961 income (1962 prices).

<sup>2</sup> Labor force status relates to survey week of March 1963.

<sup>3</sup> Based on 1960 residence and 1959 income (1962 prices).

<sup>4</sup> Data are from 1960 census and are therefore not strictly comparable with the other data shown in this table, which are derived from Current Population Reports.

<sup>5</sup> Based on 1959 residence and 1959 income (1962 prices).

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000.

Sources: Department of Commerce and Council of Economic Advisers.

Mr. YARBOROUGH. Mr. President, a study sponsored by the National Policy Committee on Pockets of Poverty concludes:

The greater concentration of the population with poverty-linked characteristics at the low-income levels of 1960 appears due to the fact that persons that moved out of low levels of income between 1948 and 1960 were predominantly those without those social and demographic characteristics which have been found to be associated with a high risk of poverty.

This describes, in other words, those families that are described in the categories mentioned above.

The legislation that we are dealing with now is the Economic Opportunity Act of 1964. I think that is a far better name for the act than the Anti-Poverty Act. The bill is intended to create economic opportunities. It is not created for the purpose of handing out a dole. It is for the purpose of creating opportunities so that people might have the means, through jobs, education, and capital to be employed and help themselves.

Mr. President, in fighting a war one of the most important things is to identify your targets. In the planning of the war on poverty this principle was adhered to. Today's economically depressed are readily identifiable. The Economic Opportunity Act is designed to make a massive frontal attack on all the diverse causes of inadequate opportunity.

There are five main categories. The Economic Opportunity Act is intended to increase the economic opportunities of these individuals who have little chance for advancement under existing conditions, regardless of the fact that we are now in a period of high prosperity.

This legislation deals first of all with the problems of low income among our young people. If current trends continue, in 5 years we will have almost a million and a half unemployed youths between the ages of 16 and 21. These young people, unskilled and unemployed, will face a rather dismal future unless action is taken to give them a chance



for developing the skills necessary to make them employable.

This bill authorizes a Job Corps consisting of rural conservation camps and urban training centers for young men and women aged 16 to 21. The programs of the camps and training centers will be flexible, adaptable to the needs of those participating, and adaptable to the needs of our changing economy. Basic education, outdoor work experience, and vocational training will be provided.

Second, a work-training program will offer useful work in public service jobs.

The third part of the attack on poverty in connection with youth without adequate education is a college work-study program which will enable many able but needy students to complete their college education.

Mr. President, half of the top 30 percent of high school graduates in America never go through the doors of a college because their families lack the means to send them there. The bill authorizes \$412,500,000 for these three youth programs during fiscal year 1965.

To me that is really the heart of the program, because the way to end poverty is to train children in their youth. We should train the vast number of school dropouts, the untrained, and the unemployed and unemployable children that we are talking about, to earn a living. We should give them the necessary skills to hold a job, and they will hold it. Then we will not have decades and decades of poverty in the same family.

Acknowledging the wisdom of attacking economic and social problems on the local level whenever possible, the bill authorizes \$340 million for financing community action and adult education programs to aid communities, cities, towns, counties, and States in carrying forward their own programs to upgrade the lives of the people and give them work in jobs, educational opportunities, and to improve their economic level and their participation in the full life of our Nation.

Low interest loans will be made to small businessmen for establishing and strengthening small business concerns, with particular emphasis on providing jobs for the long-term unemployed. Unemployed people with families to support are especially hard hit, and these individuals will receive assistance in getting back on their feet through work experience programs.

Mr. President, all of these programs were conceived through a realistic appraisal of the needs of our society in an industrial age, and, I might add, in an age of automation, an age of computers, an age in which many able-bodied Americans are being thrown out of jobs every year through automation. The emphasis throughout the bill is on education, training and jobs which will enable people to help themselves.

#### SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

Mr. President, during the 1950's we became aware of a unique kind of economic problem existing in some rural areas: inadequate incomes that did not seem to be affected by the general growth

of the economy or by a decade of relatively favorable prices for farm commodities.

According to the last census median incomes of urban families were \$6,166; by comparison, median incomes of rural farm and rural nonfarm families were \$3,228 and \$4,756, respectively.

The Department of Agriculture draws the following profile of the rural poor in the United States:

Nearly half the low income families in the United States are in the rural areas. The proportion of low income families is nearly twice as great in the country as in the city. One in every three rural families has a cash income under \$3,000 a year.

The low income families living in rural areas experience conditions that are the virtual antithesis of the American way of life. They live in substandard, often unsanitary homes, suffer from inadequate diets, go without adequate medical care, have access to far less education and training than the rest of the community, and participate little in the benefits and pleasures of modern American society.

Sixty-six percent of the 1.2 million farmworker families and unrelated individuals with a substantial dependence on agriculture live on incomes inadequate to satisfy minimum needs. The hired farmworker and his family are beset by low wage rates and a short average duration of work. The average farmworker received about 88 cents an hour in 1963, compared with an average hourly wage rate in manufacturing industries of \$2.46.

Mr. President, the chief problem associated with the inadequate incomes of rural people is unemployment and underemployment. Several recently enacted programs—the Vocational Education Act, the Manpower Development and Retraining Act, and the rural areas development program—are already in operation and are making headway in dealing with rural unemployment.

Several titles of this bill are directed at rural youth, to give the children of rural families with inadequate incomes the opportunity to be educated and trained, which so many of them today do

not have. Secretary of Agriculture Freeman has said:

The educational enrichment programs that are contemplated under title II and the Job Corps, the work-training program, and the work-study program authorized under title I will be of enormous value in bringing new opportunity to rural children who will never get that opportunity otherwise. They will make the American ideal of equal opportunity come alive for families for whom that phrase has been a mockery.

#### THE BOXED-IN FAMILIES

There is one group which has not been mentioned yet, Mr. President. They have not yet been mentioned, but at long last they are not being overlooked. Of the group, Secretary Freeman has said:

We estimate that about 1 million of the 1.5 million farmers in the low-income group have no future anywhere but on the farm because their lack of education, their lack of skill or experience in anything but farming, or their age, or a physical handicap, or a combination of these make them unlikely candidates for retraining or for success in city life. These young people can be retrained, and many of them may have to leave their home communities. But the 1 million farmers are "boxed-in." The only opportunity for a better living for them is right where they are—on their farms.

Mr. President, in recent years we have heard some people say that the small substandard farmer should leave his farm since it is uneconomical. I point out that those 1 million farmers cannot leave their farms for anything except to get in a breadline in a city. They should not be forced off their farms. They can be self-sustaining there.

Statistics for 1960 compiled by the Census Bureau indicate that of the 1,583,000 rural low-income families living on farms, 343,000 are headed by people 65 or over; 505,000 are headed by people 45 to 64 with less than 8 years of school, and 152,000 by people 25 to 44 with less than 8 years of school.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table with detailed statistics as to those families.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—Age-education characteristics of the heads of rural poverty families: Limited mobility and mobility potential groups

(In thousands)

| Group and age-education characteristics                                         | Number with rural nonfarm residence | Number with rural farm residence |
|---------------------------------------------------------------------------------|-------------------------------------|----------------------------------|
| 1. Total (all ages).....                                                        | 2,852                               | 1,583.0                          |
| 2. Limited mobility (subtotal).....                                             | 1,750                               | 1,000.0                          |
| Likely to remain in local area:                                                 |                                     |                                  |
| (a) Heads 25 to 44 years of age, mostly with 8th grade education or less.....   | 186                                 | 152.0                            |
| (b) Heads 45 to 64 years of age, mostly with 8th grade education or less.....   | 1750                                | 505.0                            |
| (c) Heads 65 years or older.....                                                | 814                                 | 343.0                            |
| 3. Mobility potential group (subtotal).....                                     | 1,102                               | 583.0                            |
| (a) Heads under 25 years of age:                                                |                                     |                                  |
| Completed 8th grade or less.....                                                | 69                                  | 24.5                             |
| More than 8th grade education.....                                              | 129                                 | 24.5                             |
| (b) Heads 25 to 44 years of age.....                                            | 1627                                | 300.0                            |
| (c) Heads 45 to 64 years of age, mostly with more than 8th grade education..... | 1187                                | 196.0                            |
| (d) Heads 65 years or older.....                                                | 90                                  | 38.0                             |

Footnotes on following page.



<sup>1</sup> Estimates based on following: (a) 70.2 percent of all heads of rural nonfarm families, aged 25-64 and 83.2 percent of corresponding heads aged 65 years' or over had 8 years schooling or less; (b) an estimated 80 percent of heads 45 to 64 years had completed 8 year's schooling or less; (c) a judgment on the relative importance of age, education, sex, location of residence, race, family composition, level of assets, health and other poverty-linked factors on the relative mobility and employment potential of rural families.

<sup>2</sup> Estimates based on following: (a) 69.2 percent of all heads of rural farm families, aged 25 to 64 and 82.5 percent of corresponding heads aged 65 years and over had 8 years' schooling or less; (b) an estimated 80 percent of heads 45 to 64 years had completed 8 years' schooling or less; (c) a judgment on the relative importance of age, education, sex, location of residence, race, family composition, level of assets, health and other poverty-linked factors on the relative mobility and employment potential of rural families.

Source: Adapted from U.S. Census of Population, 1960.

Mr. YARBOROUGH. Mr. President, these people already own farms, and they know how to operate them. They are found in the low income group because they lack resources, and the vicious cycle of inadequate production keeps them from accumulating resources. They produce little; they therefore earn little. They thus have little or nothing to invest in developing their farms. And having no debt-paying ability, they are presently ineligible for loans from the Farmers Home Administration, which must make the loan only when the debt paying ability exists.

Title III provides a package of grants and loans to low income farm families, the purpose being to break into this vicious cycle and give these families a boost so that by the combination of a small injection of capital and their own hard work they may at least be able to pull themselves up to the subsistence level.

Grants of up to \$1,500 and loans up to \$2,500 could be used to buy feed, seed, fertilizer, livestock, poultry, fencing, various kinds of equipment, and additional land.

To be eligible for a capital grant, the applicant must, first, be the operator of not larger than a family farm; second, demonstrate character, industry, and intent to utilize the grant to raise his level of living permanently; third, be unable to maintain a satisfactory level of income but have reasonable prospects, with the assistance of a grant or a loan-grant combination, of raising his income sufficiently to improve his living standard; and, fourth, be unable to obtain credit for the desired purposes elsewhere.

The capital grants will be administered through the Farmers Home Administration, whose county supervisors serve all rural areas in the United States. The size of the grant will be the amount of money required for the needed improvements which cannot be financed through a loan while maintaining a minimal standard of living. In other words, as large a percentage of the improvements as possible will be financed through loans. Grants will only be made when absolutely necessary.

Under the proposed program, it is envisioned that capital grants would be made to 45,000 farm families. The average grant is expected to be \$500. The Farmers Home Administration will provide intensive farm and home management assistance, so that through the combination of grants, loans, and management assistance the low income farm families can hope to increase their earnings and their standard of living substantially over a relatively short period of time.

This program is justified on two grounds: First, it is the only way to get the families back on their feet. Second, the alternative is far more costly. If these families are forced off of the

land and go to the cities, relief payments will soon exceed the maximum that families can be granted under this bill—\$1,500.

Public assistance in the United States now totals \$4.6 billion a year, and has been rising at the rate of one-third billion dollars per year. Families of the type we are dealing with here, forced off the land, account for a large part of the problem. The small grants will prove far cheaper in the long run than relief payment. It is cheaper and better to buy a farm family a cow than to buy milk in bottles, day after day, for the children of that family in the city.

Fears have been expressed in some quarters that this section of the bill will add to the output of food and fiber already in surplus. These fears are groundless, Mr. President. Small farmers on marginal and subsistence units produce well under 1 percent of the total national production of commodities in surplus. They produce mostly crops which are not in surplus. Most of the production resulting from financing under the antipoverty program will be used on their own farms or sold in local neighborhood and area markets.

#### FAMILY FARM DEVELOPMENT CORPORATIONS

Mr. President, speculative buying of farmland has been pushing the price of farmland up at the rate of 3 percent a year. Last year 34 percent of all sales of farmland went to nonfarmers. The Nation's 100,000 largest farms now control one-fourth of all farmland.

The Nation's economically weakest farm families are unable to compete in the race for this fundamental agricultural resource. They can in some instances get loans to cover the normal value of the land, but they cannot raise enough to cover the inflated, or market value of the land.

To cope with this situation, section 303 would authorize loans and grants to State and local, public and private non-profit corporations to enable them to purchase and resell farmland to low-income family farmers. They would buy at the going market rate. They would sell at the normal or appraised value of the land. No Federal agency would be authorized to purchase and hold farmland, although capitalization of the local corporations would be mainly, but not entirely, through Federal loans.

The fallacious argument has been made that section 303 loans and grants will encourage the formation of farm units too small and inefficient for modern-day farming. The truth is that most purchases under this section will be additions to already existing farms, to make those farms more efficient and to increase the family's potential for earning a living. In those instances where large tracts of land are subdivided into family farms, Farmers Home Administration supervisors will assist the local corporations in determining effi-

ciently sized units so that a practical and economically sound operation will be insured.

The majority of farm purchases under this section will be made through Farmers Home Administration loans. These loans will not be made unless the agency's local supervisor is assured that the loan applicant has the background, training, and ability to operate a farm efficiently and economically.

Finally, Mr. President, section 303 authorizes loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families. Though most in need of cooperatives, low-income rural people are in the least favorable position to organize and support such organizations. Loans under section 303 will provide financing in the crucial early stages of the development of the cooperatives.

The sum of \$35 million for fiscal 1965 is authorized for the foregoing sections of title III.

Part B of title III authorizes \$15 million for the development and implementation of programs of housing, sanitation, day care of children, and education for migrant agricultural workers.

#### AMERICA'S SHIFTING FRONTIER

Mr. President, the history of the American Nation can be seen as the relentless, continual pushing back of one frontier after another. The first frontier which we faced was geographical. From small beginnings as a cluster of States along the Atlantic seaboard we spanned a vast continent, and by 1890, although some free land was still available, America's first frontier had ended. By 1893, a young professor from the University of Wisconsin, Frederick Jackson Turner, in an epochal paper, "The Significance of the Frontier in American History," could conclude:

Now, four centuries after the discovery of America, at the end of a hundred years of life under the Constitution, the frontier has gone, and with its going has closed the first period of American history.

Unknown at the time perhaps, the second period of American history had already begun, and indeed had been largely instrumental in bringing about the disappearance of land as the frontier. The great "Iron Horse," the railroad, at the same time that it enabled Americans to settle a vast land, provided the vital force that brought into being and impelled the development of American industry.

Thus, we entered upon the second period of American history: the frontier of economic development and growth. Today we are still pushing back this second frontier; indeed it is a frontier which may well be limitless. The nature of this frontier, however, has changed from what it was in the early days when the will to work and a strong back, or a fertile imagination and a great deal of energy were all that one needed to get ahead. Today the American economy has grown through the periods of childhood and adolescence into the age of maturity. Energy and imagination are still important, but to these old virtues have been added the modern requirements of education and training.



The American dream has ever been "America, the land of equal opportunity." The American reality of the economically lowest one-fifth of our population is something else again, when these citizens are denied access to the routes out of their depressed States.

Escape from poverty has always required resources of one kind or another. During the era of America's first frontier, the resource was free land. I am not aware that there was any outcry at the time that giving away land by the millions and millions of acres would destroy the incentive to get ahead, or weaken initiative, or undermine belief in the democratic way of life.

Today the resource has shifted from an abundance of free land to an abundant productive capacity. And again, just as with land, the Federal Government bears the responsibility of providing access to the abundance. Carl Sandburg expressed all these thoughts in words far better than mine, as he wrote: When they told those who had no money, "Save your money"—

Those who had no money flashed back—

Would you ask those with nothing to eat to eat less?

Mr. President, escape from poverty today means following the road of education and training and jobs. I see no reason for restricting the capacity of this road at a time when we have the ability to turn it from a narrow, unsure path into a broad highway.

As we declare war on poverty, we dedicate ourselves to the blasting away of these last remaining barriers to the economic advancement of the economically lowest one-fifth of our Nation. We work toward the day when every American born will come into a world in which he has the opportunity to rise as high and progress as far as his abilities will carry him.

Mr. President, I ask unanimous consent that various statistical tables and materials may be inserted at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—Money income of families, 1947 and 1950-62

| Year      | Median money income of all families (1962 prices) |                 | Percent of families with money income |                                 |
|-----------|---------------------------------------------------|-----------------|---------------------------------------|---------------------------------|
|           | Dollars                                           | Index, 1947=100 | Less than \$3,000 (1962 prices)       | Less than \$2,000 (1962 prices) |
| 1947..... | 4,117                                             | 100             | 32                                    | 18                              |
| 1950..... | 4,188                                             | 102             | 32                                    | 19                              |
| 1951..... | 4,328                                             | 105             | 29                                    | 17                              |
| 1952..... | 4,442                                             | 108             | 28                                    | 17                              |
| 1953..... | 4,809                                             | 117             | 26                                    | 16                              |
| 1954..... | 4,705                                             | 114             | 28                                    | 17                              |
| 1955..... | 5,004                                             | 122             | 25                                    | 15                              |
| 1956..... | 5,337                                             | 130             | 23                                    | 14                              |
| 1957..... | 5,333                                             | 130             | 23                                    | 14                              |
| 1958..... | 5,329                                             | 129             | 23                                    | 14                              |
| 1959..... | 5,631                                             | 137             | 22                                    | 13                              |
| 1960..... | 5,759                                             | 140             | 21                                    | 13                              |
| 1961..... | 5,820                                             | 141             | 21                                    | 13                              |
| 1962..... | 5,956                                             | 145             | 20                                    | 12                              |

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 2.—Proportion of rural families having net family income of less than \$2,000, northeastern Texas

|                      |      |
|----------------------|------|
| Nonfarm.....         | 48.6 |
| All farms.....       | 50.3 |
| Commercial farm..... | 65.6 |

TABLE 3.—Specified characteristics of family heads, rural families with net money incomes below \$2,000, northeastern Texas

|                                                            |    |
|------------------------------------------------------------|----|
| All heads 65 years of age and over.....                    | 39 |
| Females under 65 years.....                                | 4  |
| Males under 65 years:                                      |    |
| With physical handicap.....                                | 21 |
| Less than 5 years' schooling and no physical handicap..... | 7  |
| No limitations noted.....                                  | 29 |

Source for tables 2 and 3: Buis T. Inman and John H. Southern, "Opportunities for Economic Development in Low Production Farm Areas," Agriculture Information Bulletin No. 234 (Washington, USDA, November 1960), table 10, p. 20.

#### FACTS AND FALLACIES ABOUT ASSISTANCE TO THE FARM POOR UNDER TITLE III (Pt. A), ECONOMIC OPPORTUNITY ACT OF 1964

##### SECTION 302—GRANTS TO LOW-INCOME FARM FAMILIES

Fallacy: Grants will be used to hold families in poverty on small farms when the breadwinners of these families should transfer into another occupation elsewhere.

Fact: Section 302 is designed to improve the income-earning capacity of farm families the heads of which are too old, uneducated or handicapped in other ways to shift to another full-time occupation. More than 500,000 farm families in this "boxed in" group presently are ineligible for loans from Farmers Home Administration<sup>1</sup> because their earning capacity is so limited they have no debt-paying ability. Section 302 is aimed at raising the earnings of these families. Unless rehabilitated in place they will either continue in a deteriorating farming situation or move to towns and cities, where they almost inevitably will add to welfare rolls.

Fallacy: The grants are too small to finance efficient farming operations.

Fact: Grants under section 302 are not designed to capitalize commercial farming ventures. They will instead provide small amounts of seed capital to enable poor farmers to begin improving the operation and the income-earning capacity of their farms. Grants will finance such items as livestock, simple farm tools and equipment, seed, fertilizer, and small amounts of farmland. Wherever practical a grant will be combined with a small Farmers Home Administration loan.

Fallacy: Grants or loan-grant combinations for farming purposes will enable presently unproductive farmers to increase their output of food and fiber already in surplus.

Fact: Poor farmers on marginal and subsistence units produce well under 1 percent of the total national production of commodities in surplus. Most of the production resulting from financing under the anti-poverty program will be used on their own farms or sold in local neighborhood and area markets.

Fallacy: Grants and loans to finance non-farm enterprises will encourage more competition for existing small businesses in an area.

Fact: Before making capital available for a nonfarm enterprise, the Farmers Home Administration supervisor will determine that the applicant is capable of operating

<sup>1</sup> Farmers Home Administration is a USDA agency which provides supplementary credit plus management assistance for family farmers. This agency will administer title III (pt. A) under delegation from the Director, Office of Economic Opportunity.

the enterprise and it will provide goods or services needed in the community and not now being supplied by others.

Fallacy: Grants will be substituted for loans although the latter would be more appropriate and more in keeping with the interest of the farmer and the public.

Fact: A grant will be provided only to make up the difference between the amount of capital an applicant requires to reach certain practical goals and the amount that cannot be provided through the resources he has, plus credit available. All applicants will be required to meet their financing needs through loans, insofar as this is possible.

Fallacy: A farm family receiving a grant can spend it as they please, regardless of the farm improvement plan drawn up by the Farmers Home Administration.

Fact: Grant funds will be deposited in a joint grantee-Farmers Home Administration account and the local supervisor of the agency will not approve any withdrawal unless it is for a specific purpose related to the farm and home development plan.

Fallacy: The majority of low-income farm families receiving grants will not have the managerial ability to make productive use of the funds.

Fact: Families receiving a grant or grant-loan combination will be provided with intensive supervision in the management of their farm and financial resources. This supervision will be the responsibility of local Farmers Home Administration offices. The objective is not only to improve a family's income but also to upgrade their earning potential and ability to manage resources available.

Fallacy: Equipment and other items purchased with a grant may be sold by a farmer, who will then use the money as he pleases.

Fact: All grantees will be required to sign a legally binding agreement with the Government that prevents such a practice.

##### SECTION 303—LOANS AND GRANTS TO HELP POTENTIALLY SUCCESSFUL FARM FAMILIES BECOME FARMOWNERS OR ENLARGE THEIR FARMS

Fallacy: The land purchase scheme is like the farm resettlement program of the 1930's, which was a failure.

Fact: Activities authorized under section 303 are in no way similar to the resettlement program of the 1930's. Under section 303 the Office of Economic Opportunity Director is authorized to assist State and local nonprofit corporations in buying available farmland and reselling this land to family farmers at a price that reflects the potential of the land for farming, rather than its speculative market value. Section 303 is simply a method of extending the present highly successful farm ownership loan program of the Farmers Home Administration to the very lowest income group of family farmers.

Fallacy: Section 303 authorizes "communitistic" cooperative or corporate farming ventures involving entire communities of farm families.

Fact: It authorizes nothing of the kind. Farmers will acquire land under the program as private buyers and thereby become landowners as in any private transaction. Where an estate is bought by a corporation, subdivided, developed, and resold in family farm units, purchasers of these units will then have full ownership and control.

Fallacy: The Federal Government is authorized to purchase large amounts of farmland and retain title to this land.

Fact: No Federal agency, present or future, is authorized to purchase and hold farmland under section 303. The land would be purchased by State and local nonprofit corporations as a private transaction through normal land market channels and resold to family farmers in the same manner. Capitalization of the local corporations would



be mainly, but not entirely, through Federal loans.

Fallacy: Section 303 enables the Government to take over large farms and ranches, subdivide them and resell the smaller units to farmers selected by local Federal officials.

Fact: No Federal agency is authorized to purchase land, nor will any corporation participating in the land purchase program under section 303 have condemnation rights of any kind. Land purchased will be that available on the market. It will be bought and sold as a private transaction.

Fallacy: Section 303 loans and grants will encourage the formation of farm units too small and inefficient for modern-day farming.

Fact: Most land purchases made under this program will be in the form of small parcels that will be added to existing farm units to increase the family's potential for making a living. In those instances where a large amount of land is subdivided into individual farm family units, Farmers Home Administration supervisors will assist officers of the corporation to determine appropriate size units, given local farming conditions and requirements. Since Farmers Home Administration will finance most families buying units from corporations through its regular real estate loan program, the agency will be able to assure a practical and economically sound operation.

Fallacy: The land purchase plan will enable farmers who have been failures all their lives to obtain a new farm that they are incapable of handling.

Fact: The majority of families who purchase land from the corporations either to add to their existing farming units or to obtain an entire farm will utilize Farmers Home Administration real estate loans for financing. A loan will not be approved unless and until the agency's local supervisor is assured that the applicant has the background, training, and potential to utilize the new resources to operate efficiently and economically.

Fallacy: Section 303 authorizes a "collectivist" type of farming program.

Fact: The exact opposite is true. It will increase the number of family farmers who own, operate, and manage their own places.

Fallacy: A farmer purchasing a unit or additional farmland from one of the local corporations at the normal value of the land can then resell the land at its market price, thus reaping a windfall profit.

Fact: The language of section 303 specifically denies a purchaser this opportunity.

#### SECTION 304—LOANS TO COOPERATIVES

Fallacy: Banks for cooperatives under the Farm Credit System already are authorized to extend financing to cooperatives.

Fact: In general, credit from the banks for cooperatives is made available only to cooperatives in which the membership have or are able to make a significant equity investment. The banks do not normally make loans to small local cooperatives made up of poor farmers when financing such cooperatives would involve a necessarily large risk.

Fallacy: Section 304 permits financing of cooperative manufacturing establishments producing an unlimited range of products and of cooperative farms.

Fact: Loans are not authorized for cooperatives of this kind.

Fallacy: Loans will be made available to cooperatives made up of farmers and other rural people not in the poverty group.

Fact: The language of section 304 specifically states that the cooperatives financed must be made up "predominantly" of low-income rural people.

Fallacy: If banks for cooperatives or other available credit sources are not willing to risk capital on the cooperative to be financed, the Government should not do so either. By

definition, new cooperatives financed under section 304 will be small, unable to afford adequate management and have little membership equity.

Fact: Three provisions minimize the risk. (1) Farmers Home Administration will provide continuing and intensive technical and management guidance in the early stages of the cooperatives being financed. (2) Most cooperatives financed will include some rural families who can make a significant equity contribution. (3) Grants and loans will be available from Farmers Home Administration to individual low-income farm families to buy equity shares in cooperatives, thus providing an additional source of financing.

Fallacy: Grant provisions of title III if administered by Farmers Home Administration will pervert the aims and operations of this agency's successful program which provides supplementary credit for farm families.

Fact: On the contrary, the grant provisions by building debt-paying ability will enable Farmers Home Administration to reach thousands of the poorest farming families who presently are ineligible for loans from the agency. That these families presently cannot utilize Farmers Home Administration programs of supervised credit is a serious weakness in the agency's program and has often been calamitous for the families concerned, who have no other source of aid.

Fallacy: Title III, part A, gives the Director of the Economic Opportunity Office dictatorial control of U.S. agriculture.

Fact: The title is limited to assistance for the farm poor, who produce less than 1 percent of total U.S. farm products by volume and value, market even less and control scarcely any of the resources required for modern commercial farming. Participation in programs authorized by the title will be strictly voluntary. The Director will have no authority whatsoever to compel any individual or family to apply for a grant or loan, seek to purchase land from a nonprofit corporation financed by him, organize or join a cooperative receiving a loan or participate in any other fashion.

Mr. RANDOLPH. Mr. President, title V of the pending Economic Opportunities Act will provide a vital and progressive tool to upgrade both our human and material resources. It can be a constructive way to bring together otherwise idle manpower and jobs going undone. At the same time, and perhaps more importantly, it can give many of the present jobless the necessary skills to make them competitive in today's labor market and assist them toward full-time employment.

The Social Security Act was amended 2 years ago to provide for community work and training programs tied into the aid to dependent children program. The ADC program was modified to permit payment of benefits to needy families where the father was unemployed. Of the 18 States, including West Virginia, which have extended their aid to families with dependent children programs to include families with unemployed parents, 13 either have in operation or in the planning stage, community work and training programs with a substantial emphasis on the training component.

What has been the experience with these programs? Basically, they have brought to light an overwhelming desire on the part of unemployed people not only to go back to work, but to further their education—to improve themselves and to come off the assistance lists.

An example in one eastern community,

a group of unemployed men receiving family welfare aid went to work on a community project on a more or less full-time basis. Then, formal training was developed to prepare them for regular jobs. The men refused to leave their work to pursue the training. They preferred on their own initiative, to continue working full time and to attend school at night. This, I think, indicates two points: First, people prefer to work for what they receive; and second, people will persevere to secure the advantage of educational opportunities offered to them.

In the poverty areas of Appalachia, similar eagerness for work and education can be found when the opportunities are made available. Latent talent is uncovered. Formerly unemployed men now hold their heads a little higher because they are working; they start shaving regularly again; they put their children back in school; they and their families start eating better and their health improves. In short, they are coming back into the mainstream of society where they belong.

And in some areas where the bitter fog of economic depression rests most heavily, you can note a change in the entire community when work and training opportunities become available to the large number of unemployed. The town spruces up; long-neglected streets are repaired; public buildings are painted, alleys are cleared and a longtime accumulation of rubbish is carted away.

One county official in West Virginia, writing of his experience with the community work and training program, said:

I have been in this county 34 years and have always been impressed by the fact that, given proper incentive and opportunity, the mountain people want to work. In my opinion, these men who have been without employment so long are gaining self-respect and are getting deep satisfaction out of making the county more beautiful and in working for the money they receive.

A mayor of a community also in West Virginia wrote:

These men (unemployed fathers) have been used on a number of projects which the city could not have undertaken except through this program. They have built rock walls, graded our new parking lot, replaced a security fence around the city park which had been washed out by the 1963 floods, replaced guardrail posts, cleaned catch basins in our sewer system, and other projects too numerous to mention. The men themselves certainly have benefited in a material way as well as restoring their self-respect regarding work.

The same response is repeated in community after community. The unemployed are helped, both in the form of cash grants and because they again have the opportunity to do useful work.

Now, what will title V do? Primarily it will effectively expand these work experience programs designed to help unemployed fathers and others secure and retain employment or attain or retain capability for self-support. To do this, title V will provide an additional \$150 million to communities specifically for this purpose. Translated in terms of people, this means at least 130,000 per-



sons could receive work experience and training during the 1964-65 fiscal year if this measure is approved. The impact of helping these 130,000 workers would result in direct benefits to almost 700,000 persons who comprise their families.

These 700,000 people for the most part, are in families hardest hit by long-term unemployment. The 130,000 people who will receive work experience and training are probably the most unskilled or underskilled in our Nation today. Few have a high school education. Many cannot even read or write. And most of them are not now receiving help from the federally aided public assistance programs.

They are, Mr. President, those Americans with the odds stacked against them in trying to reenter the mainstream of American economic life. Title V of the Economic Opportunities Act can shorten those odds. Title V can salvage this large human resource.

The positive benefits of providing work and training opportunities to this needy group are valid. We are committed, I believe, to the idea that the opportunity to earn a living should be available to all. Disagreement, when it comes, centers around how the opportunities should be made available; the most effective means of doing so, and similar questions.

I submit that our experience with community work and training since 1962 qualifies such an approach as being effective, efficient, and economical. It does place unemployed people back on the payrolls. It does upgrade the working skills of a portion of our labor force. It does result in greater self-respect among those who are dependent and points the way toward financial independence. And it does pay the additional benefit of physically improving many of our communities that otherwise, because of their financial status, would be unable to enter into such improvements.

The most impressive testimony to the effectiveness of the work and training approach is among the unemployed themselves. The eagerness with which they will substitute useful work for idleness when offered a choice; the enthusiasm with which they grasp at educational opportunities; and the efforts and energy they are willing to devote to improving themselves—all of these facts make it difficult to withhold the opportunity work experience and training can provide.

Title V provides a way to harness the eagerness, the enthusiasm, and the energy of the unemployed to achieve concrete results such as full-time employment, higher pay checks because of better training, and the all-round betterment of our fellow citizens and our communities.

No single phase of the welfare operation today receives more favorable public response than the community work and training program. Here we see a constructive effort to reduce people's dependency on welfare aid. Here also the public can witness welfare recipients as sincere and industrious people when given an opportunity for gainful labor. Here our citizens recognize a shift from the unending dole of public money to a rehabilitative move toward self-support.

IF THE WAR ON POVERTY IS TO BE WON AN EXTENSION OF THE ACCELERATED PUBLIC WORKS PROGRAM IS NEEDED AT ONCE

Mr. GRUENING. Mr. President, I strongly support President Johnson's declaration of war against poverty and the program he has recommended for enactment by the Congress to begin to fight that war.

The war on poverty presented under the title of the Economic Opportunity Act of 1964, will have to be fought on many fronts and the program proposed by President Johnson rightly has many facets. It will increase the employability of many young men and women by providing them with education, vocational training, and useful work experience through a Job Corps.

It will provide for the mobilization of resources in urban and rural communities through community action programs.

It allows for badly needed special programs aimed at particularly destitute rural areas and will make possible grants and loans, the establishment of family farm development corporations, support for cooperative associations, and will permit new programs in the areas of housing, sanitation, education, and day care of children.

It will strengthen small business concerns by means of loans.

It will make possible the expansion of opportunities for constructive work experience and other needed training by financing experimental, pilot, and demonstration projects.

In short, the program is an admirable beginning, but the truth is that, by itself, it is simply not enough.

The number of poor in America today is estimated at between 20 million—the rockbottom estimate—and 90 million—the high estimate. In dealing with such numbers, it is obvious that a total solution will be found only through a major campaign. The present bill calls for an authorization of \$962,500,000. One publication, *Newsweek* magazine, suggests the danger of this becoming a mere "band aid program" substantial enough to do little more than scratch the surface of the poverty problem. The same periodical, in its February 17 issue, quoted the sociologist, Michael Harrington, author of "The Other America," as claiming:

The many figures that are being talked about are utterly unrealistic in view of the goals authorized \* \* \* New York could absorb that much [\$500 million] just on the problem of the Negro. One billion wouldn't cover any one point of the programs Kennedy originated.

Dr. John Kenneth Galbraith, one of our Nation's leading economists, has firmly advocated many of the measures for which the poverty bill provides—training and retraining, youth employment counseling, assistance to new industries, and so on. But he has also noted:

This must be honest effort and not pilot projects which are a modern device for stimulating action without spending money. Poverty can be made to disappear. It won't be accomplished simply by stepping up the growth rate any more than it will be accomplished by incantation or ritualistic wash-

ing of the feet. Growth is only for those who can take advantage of it.

President Johnson's tax cut is an example of legislation designed to provide needed stimulus to our economy. It goes hand in hand with the poverty bill. Yet such a respected economist as Dr. Leon Keyserling feels that this is not enough and that further measures will be required:

You can't get rid of poverty, you can't expedite economic growth, you can't reduce unemployment by regressive budgetary policy, a tight-money policy, a nonspending policy and a regressive redistribution of the national income through the tax mechanism.

I am pleased that Dr. Keyserling and I are of the same mind on this subject.

President Johnson himself, in a May 4, 1964 press conference, has indicated the nature of the further steps which are necessary:

The time has come for Labor and Government and business to agree that we are now going to achieve—and keep—full employment; and if all that we do with the help of the private sector cannot employ all our people, the Government will have to do for people what private enterprise fails to do—we will step up our program of public works.

But why wait?

An accelerated program of public works is precisely what is now needed to round out the administration's poverty program. There is no longer any question but that unemployment is a major thread in the pattern of Poverty U.S.A. People who are to participate in the economy must have a chance for jobs, and we must place a good deal of emphasis upon providing these jobs now and not merely in the future. The accelerated public works program has proved itself to be one of the fastest means of creating such jobs. Indeed, Dr. Galbraith supports such a program by his advocacy of expenditure in the public sector—the kind of investment in public works, urban renewal and other construction as is provided in the accelerated public works legislation.

Gunnar Myrdal, the well-known Swedish sociologist and author of "An American Dilemma," has called for a giant public works program as a major weapon in the elimination of poverty. In the February 8, 1964, issue of the *New Republic*, Dr. Myrdal asserted:

What America needs is a Marshall plan to eradicate poverty in the Nation. This is a moral imperative. The unemployed, the underemployed, and the now unemployables are also America's biggest wastage of economic resources. The poor represent a suppressed demand which needs to be released to support a steady rapid growth of American production. The goals of social justice and economic progress thus are compatible. A rapid steady economic growth is impossible without mobilizing the productive power of the poor and clothing their unfilled needs with effective demand. The existence of mass poverty in the midst of plenty is a heavy drag on the entire economy.

Mr. President, I ask unanimous consent that Mr. Myrdal's provocative article "The War on Poverty" be printed in the *RECORD* at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.



(See exhibit 1.)

Mr. GRUENING. Mr. President, an extension of the accelerated public works program through approval of the additional \$900 million provided for in S. 1856—a bill introduced by the distinguished chairman of the Senate Committee on Public Works, Mr. McNAMARA, reported by the Senate Committee on Public Works, and now on the Senate Calendar awaiting action—would answer Mr. Myrdal's call and would be an essential concomitant to the poverty bill.

The original accelerated public works bill, passed during the Kennedy administration, authorized \$900 million of which \$880 million was ultimately appropriated. These funds ran dry well over a year ago, leaving \$717 million of worthwhile projects which could now be providing desperately needed jobs if funds were available. Six hundred and fifteen grant-in-aid applications for \$128.4 million in accelerated public works funds are now pending in the chronically depressed Appalachia region, and 21 applications for \$5.417 million are also pending in my own economically distressed State of Alaska. Poverty in these areas—as well as in other regions in all parts of the country—can be diminished almost immediately through APW. The U.S. Department of Labor estimates that when the program becomes fully operative later this year, it will provide jobs for 10 percent of the currently unemployed.

The original Accelerated Public Works Act—S. 2965—was reported to the Senate from the Senate Public Works Committee on April 26, 1962. At that time I filed separate views in which I recounted that in the committee markup on the bill I predicted that the amount proposed—\$900 million—was far too little in the light of the demonstrated needs and the large size of our unemployment problem. As a matter of fact, I had suggested in the committee that the least we could do is increase the amount authorized to the amount which we provided for some of our foreign aid programs. I suggested the amount of \$2,645 million—the amount authorized for the Development Loan Fund for fiscal year 1963, for development grants, for supporting assistance, and for the President's contingency fund.

In the interest of speedy approval of the accelerated public works program, I did not—2 years ago—press my amendment.

I did however predict that the sum would not be sufficient to make a serious dent in our problem of the chronic unemployed. I regret that my prophesy has proved correct.

I stated then:

In my humble opinion, no situation is more tragic than that of men and women unemployed who wish to work and cannot find it. No situation is more paradoxical than that this wealthiest country on earth, which has poured out \$100 billion in the last decade and a half to help foreign countries, and proposes to spend even greater sums in the future for the same purpose, cannot meet its primary obligation to its own people.

The accelerated public works program has proved its worth. It has helped build highways, sewer facilities, treatment

plants, water facilities, and a host of other worthy and needed projects. It has reached into villages and counties across the Nation to give work to men and women who desperately needed it.

But the amount authorized was not enough.

Accordingly, in March 1963, I introduced S. 1121 on behalf of myself, Mr. Bartlett, Mr. Cannon, Mr. Kefauver, Mr. Metcalf, Mr. Morse, Mrs. Neuberger, Mr. Randolph, and Mr. Yarborough. This bill would have carried out the provisions of the amendment I had previously discussed in the Public Works Committee. It raised the amount authorized for accelerated public works to \$2.645 billion.

The constitutional convention of the AFL-CIO has unanimously given its support to an extension of the Accelerated Public Works Act. Indeed, because it realizes that the public works program is one of the surest methods of creating additional jobs, the convention called for an additional authorization of \$2 billion—\$500 million more than S. 1856. This would mean a total of \$4 billion in construction projects—when State and local matching funds are included. According to U.S. Department of Labor studies, this \$4 billion outlay would directly create about 400,000 jobs in on-site construction and in the production and distribution of building materials and equipment. As these funds are spent by working people and businesses, another 200,000 to 400,000 jobs would be created indirectly.

The American Hospital Association claims a backlog of unmet construction for the modernization and replacement of older and outmoded hospital facilities, and the last study of this need developed a national figure of \$3.2 billion.

The need for useful public works is there—clearly demonstrated.

The chronically unemployed are still with us—clearly demonstrated.

The means to help these unemployed and to meet the growing need for useful public works is at hand in S. 1856, now pending on the Senate Calendar. The additional amount of \$900 million is not as large as the amount I proposed in my bill S. 1121 but it is at least an additional amount which can be used immediately to put unemployed men and women to work usefully.

Let us not be content with the enactment of the poverty program as proposed in the bill now before us without realizing that the adoption of the additional authorization for the accelerated public works program as proposed in S. 1856 is equally vital.

In making this proposal I am not unmindful of the great need in my own State of Alaska both in terms of unmet wants in useful public works and of chronically unemployed people. Our Indian villages can sorely use the help which would be made available under the poverty bill. But they are just as desperately in need of public works projects which could be provided under the terms of the accelerated public works program.

I called the attention of Sargent Shriver, who has made a brilliant success of the Peace Corps and who has been appointed by President Johnson to take command also of the war on pov-

erty, to Alaska's great needs. He replied that it would be included. But he needs more tools, more money, more machinery for creating jobs than the present program provides. The accelerated public works program would go far toward supplying the now-missing ingredients. Without it or its equivalent, the war on poverty would be lost.

It is also widely recognized that the poor are sick more often than average Americans. Squalor and inefficient sanitation facilities are always conducive to disease, which, in turn, is an integral and reinforcing part of the poverty cycle itself.

A physically unhealthy America is a poor America.

The accelerated public works program, with its emphasis on construction of sewer and water facilities, hospitals, and with its attempts to alleviate community obsolescence, is vital in improving the health of the poor. In a larger sense, the program is important because it lifts the morale of impoverished Americans and provides a permanent base for new employment.

It is my firm belief that extension of the accelerated public works program is immediately necessary in order to make the war on poverty a vital and effective force in American life.

That belief of mine is not new. I voiced it on the floor of the Senate more than 16 months ago—and, indeed, in committee 11 months earlier—when I introduced my bill for a resumption on an adequate scale of the accelerated public works program. I headed my remarks with the plea that we “try to do as much for the folks at home as for those abroad.”

This plea again assumes pertinence when in a few days the Senate will be asked to approve an authorization of more than \$3 billion for foreign aid. I repeat my often-reiterated conviction that we should at least give equality to the needs of the American people; indeed, they should have priority.

In connection with my introduction of the accelerated public works legislation, I inserted some correspondence with the Governors of States, showing their support of an activity in connection with the accelerated public works program in their States. I ask unanimous consent that my remarks and exhibits which appeared in the CONGRESSIONAL RECORD of March 19, 1963, be printed at the conclusion of my remarks.

There being no objection, the remarks and exhibits were ordered to be printed in the RECORD, as follows:

LET US TRY TO DO AS MUCH FOR THE FOLKS AT HOME AS FOR THOSE ABROAD; LET US GET THE U.S. ECONOMY MOVING; LET US TACKLE OUR MOUNTING UNEMPLOYMENT REALISTICALLY

Mr. GRUENING. Mr. President, on behalf of my colleague [Mr. BARTLETT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Texas [Mr. YARBOROUGH], I send to the desk, for appropriate reference, a bill to increase the amount authorized to be appropriated to carry out the purposes of the Public Works Acceleration Act of 1962. I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks and that the bill lie at the desk until



the close of business on March 28 so as to give those of my colleagues who wish to do so an opportunity to cosponsor this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; will lie at the desk as requested; and, without objection, will be printed as requested.

(See exhibit I.)

The bill (S. 1121) to increase the amount authorized to be appropriated to carry out the provisions of the Accelerated Public Works Act (Public Law 87-658) introduced by Mr. GRUENING (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. GRUENING. Mr. President, I believe that my introduction of this bill will not come as a surprise.

On April 25, 1962, when S. 2965 was reported by the Senate Committee on Public Works, of which I am a member, I filed separate views in which I clearly predicted that the sum authorized to be appropriated to carry out the purposes of the bill—\$900 million—was insufficient to do the job.

Mr. President, I wish I could stand here today and admit that my prediction was wrong—that the amount authorized to be appropriated had been sufficient—and that the serious pockets of chronic unemployment throughout the Nation had been eradicated or significantly decreased.

Eleven months ago, in my separate views, I stated:

"However, the amount is, in my opinion, hardly sufficient to meet the economic strain now being experienced in certain areas of the Nation."

At that time, I referred to my proposed amendment to raise the amount authorized to be appropriated to less than half the amount authorized to be appropriated for foreign economic assistance—namely \$2,645 million.

I stated at that time, Mr. President:

"In my humble opinion, no situation is more tragic than that of men and women unemployed who wish to work and cannot find it. In my humble opinion, no situation is more paradoxical than that this wealthiest country on earth, which has poured out \$100 billion in the last decade and a half to help foreign countries, and proposes to spend even greater sums in the future for the same purpose, cannot meet its primary obligation to its own people.

"I am merely proposing, by this amendment, to offer a fraction for the relief of economic distress and the creation of employment for our fellow Americans of what we have been doing or are asked to do—and will doubtless continue to do—in far larger measure for inhabitants of 100 foreign countries."

Mr. President, I ask unanimous consent that my separate views to S. 2965 be printed in full at the conclusion of these remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit II.)

Mr. GRUENING. Mr. President, it may be that my suggested amendment focused attention on the insufficiency of the amount authorized to be appropriated and was instrumental in increasing that amount from \$600 million to \$900 million. But even that amount has not proven to be sufficient.

On March 7, the Department of Labor reported that the seasonally adjusted unemployment rate in February increased to 6.1 percent of the civilian labor force. This was up from 5.8 percent in January, despite the fact that customarily there is little change in the unemployment rate from January to February. The February 1962 rate was 5.6 percent.

This means, Mr. President, that in February 1963, 4,918,000—nearly 5 million—men and women were seeking employment and could not find it.

This continued chronic unemployment cannot be permitted to endure. The time has come for a massive effort to make taxpayers out of these tax consumers. They seek work. Let us give them work.

I said last year it was no time for half measures.

It is even less a time for half measures this year.

Consider, Mr. President, what continued unemployment does to a man and his family. Continued want and deprivation do not reaffirm a man's faith in the strength of our economic system.

And yet, Mr. President, that system is strong—as strong as it ever was. Our problem is to take sufficiently energetic steps at the correct time. Let us not do too little too late.

I cannot help but feel, Mr. President, that we did just that last year. Who can say what the results would now be if, last year, we had authorized the appropriation of three times the amount authorized under the accelerated public works program? How many of the nearly 5 million unemployed today would now be gainfully employed? How many of this nearly 5 million unemployed would today be taxpayers instead of tax consumers? How many of the families of these men and women would today have been able to hold their heads high and say that their fathers or mothers were gainfully employed and they were not dependent on handouts?

Mr. President, we will not be able to meet a serious unemployment problem with half measures, or with quarter measures. We tried it last year and it did not work.

Now one of the arguments advanced last year against my proposal to increase the amount authorized to be appropriated for the accelerated public works measure was that the States could not possibly spend all that money.

In an effort to prove this argument fallacious, I wrote all the States having areas of chronic unemployment asking how much could be spent on worthwhile public works projects.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator from Alaska, may have 5 more minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GRUENING. I thank the Senator.

Mr. President, when I reported to the Senate on May 17, 1962, on the responses received up to that date—only 12 States—fewer than one-fourth of the total number—indicated that they could use \$1,566 million.

I ask unanimous consent that excerpts from my remarks on that date and some of the exhibits inserted in the CONGRESSIONAL RECORD at that time, be inserted in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit III.)

Mr. GRUENING. I stated at that time:

"The question which each and every one of us must ask himself is this: Am I prepared to give to the unemployed of the depressed areas of Gadsden, Ala.; Anchorage, Alaska; Camden, Ark.; Modesto, Calif.; Bristol, Conn.; Carrollton, Ga.; Cairo-Metropolis, Ill.; Evansville, Ind.; Pittsburg, Kans.; Paducah, Ky.; Hammond, La.; Biddeford-Sanford, Maine; Cumberland, Md.; Lowell, Mass.; Detroit, Mich.; Duluth, Minn.; Washington, Mo.; Butte, Mont.; Atlantic City, N.J.; Schenectady, N.Y.; Fayetteville, N.C.; Portsmouth-Chillicothe, Ohio; Muskogee, Okla.; Altoona, Pa.; Providence, R.I.; Conway, S.C.; Greenville, Tenn.; Laredo, Tex.; Big Stone Gap-Appalachia, Va.; Aberdeen,

Wash.; Charleston, W. Va.; and La Crosse, Wis., the same opportunity that has been given to the unemployed in Sudan to work on a highway construction project involving 1.8 million American dollars, or the unemployed in Yemen to work on a highway construction project involving 3 million American dollars, or to the unemployed in the Republic of China to work on the Ku-Kwan hydroelectric project involving 2.5 million American dollars, or to the unemployed in the Philippines to work on a port facilities and harbor improvement project involving 3.2 million American dollars?

"For myself the answer is abundantly clear. If I am expected to take care of the unemployed abroad with American dollars, then I can do no less than take care of the unemployed here at home first and just as adequately."

I am again today addressing to the Governors of all the States having serious pockets of chronic unemployment, a letter requesting the information as to the public works projects ready to go upon which unemployed men and women can be put to work.

At the appropriate time, I shall report to the Senate Committee on Public Works and to the Senate the results of this inquiry.

But I have no doubt at all that we shall find that there can be spent on useful, needed public works projects, throughout the land, more than the sum of \$2,645 million which I propose to authorize to be appropriated for the accelerated public works program. In view of the \$900 million already authorized, this is only an increase of \$1,745 million.

As a matter of fact, the Honorable William L. Batt, Jr., Administrator, Area Redevelopment Administration, at a press conference on February 8, 1963, stated that at the end of January, the backlog of applications for funds for projects expected to meet program standards was \$1,069 million. In addition, new projects were coming in at the rate of \$300 million every month or \$3,600 million per year.

It is not, therefore, a question of whether the money can be well spent in putting American unemployed men and women to work. The worthy projects exist. The necessary projects exist.

The question is: Are we willing to make the effort to get America rolling—to give America the shot in the arm it needs to get it rolling—to make an all-out effort to stimulate the American economy at the level required to drastically reduce these pockets of chronic unemployment?

For myself, I can only see an affirmative answer.

For myself, I can say only that when one considers what we are doing in the way of assisting the economies of countries abroad, there can be no question about our doing at least as much here at home for our own unemployed—for our chronically unemployed.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks, excerpts from Mr. Batt's press conference and a list of unemployed percentages.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit IV.)

Mr. GRUENING. Mr. President, my amendment expresses the amount authorized as the equivalent authorized to be appropriated for the following economic foreign aid purposes:

|                                      | Million |
|--------------------------------------|---------|
| Sec. 202: Development loan fund----  | \$1,500 |
| Sec. 212: Development grants-----    | 380     |
| Sec. 402: Supporting assistance----- | 465     |
| S53. 451(a): Contingency fund-----   | 300     |
| Total-----                           | 2,645   |

The VICE PRESIDENT. The time of the Senator has expired.



Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator may proceed for an additional minute.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GRUENING. Mr. President, I have drafted my amendment in this fashion, Mr. President, rather than expressing the sum in figures, because I desire to call attention to the fact that we are granting this same sum—and indeed more in various other ways—to aid the economies of foreign countries—to reduce the unemployment problem in foreign countries—and that we literally cannot afford to continue to do that unless we do at least as much for the unemployed here at home.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to the Senator from Minnesota.

Mr. HUMPHREY. I wish to commend the Senator on his initiative, and I wish to assure the Senator that a number of his colleagues, as he well knows, have joined in reexamining the entire accelerated public works program. The President has submitted a supplemental request of \$500 million under last year's authorization, which is sorely needed. In fact, the local communities have set aside by bond issue the necessary funds for local community cooperation, as prescribed by law. I am convinced that we could well use a substantially larger sum of money, at least double what we did last year, for the accelerated public works program, to meet the necessities of existing projects which are already funded and already prepared and already designed by the local jurisdictions.

I assure the Senator that he will have my cooperation. I know that I can expect from him the same kind of cooperation, as we meet together shortly to get at the new program of accelerated public works.

Mr. GRUENING. Mr. President, I thank the Senator. No Member of the Senate has been more concerned about the unemployment problem, this tragic situation which is not a mere statistic but affects the lives and happiness and welfare of millions of Americans, or has shown more concern about getting the economy moving again, than the distinguished senior Senator from Minnesota.

#### EXHIBIT I

A bill to increase the amount authorized to be appropriated to carry out the provisions of the Accelerated Public Works Act (Public Law 87-658)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 87-658 (76 Stat. 541), approved September 14, 1962, is hereby amended by striking out the words "the sums of \$900,000,000" in section 3(b), thereof, and inserting in lieu thereof the following: "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202 (for the fiscal year 1963), 212, 402, and 451(a) of the Foreign Assistance Act of 1961, as amended."

#### EXHIBIT II

##### SEPARATE VIEWS OF MR. GRUENING

I voted to report favorably S. 2965 providing for both a standby program of public works and an immediate program of public works for which an appropriation of \$600 million was authorized.

It is my belief that much more than the authorized \$600 million is needed and could usefully be used to put the unemployed back to work.

In a statement distributed to the members of the Public Works Committee, I stated:

"On March 27, 1962, the able and distinguished Senator from New Mexico, Mr. Chavez, introduced an amendment to S. 2965, a bill to provide standby authority to

accelerate public works program of the Federal Government and State and local public bodies. The amendment would authorize the appropriation of \$600 million for an immediate public works program.

"I commend the Senator from New Mexico for his foresight in submitting such an amendment.

"However, the amount is, in my opinion, hardly sufficient to meet the economic strain now being experienced in certain areas of the Nation.

"Accordingly, I now offer an amendment to the amendment of the Senator from New Mexico, raising the amount authorized to be appropriated for a program of immediate public works to the same amount authorized to be appropriated for foreign economic assistance.

"It does seem to me that we should be willing to spend at least as much at home to take care of our own economically distressed areas as we are willing to spend abroad for aiding foreign economically distressed areas.

"My amendment does not, I admit, do equal justice as between foreign and domestic programs. Under the amendment proposed by the Senator from New Mexico, Mr. Chavez, only one appropriation is authorized, namely, the sum of \$600 million. Under my amendment, the limit of this one-time appropriation would be raised to the limit authorized in the Foreign Assistance Act of 1961 for the Development Loan Fund (sec. 202), the development grants and technical cooperation (sec. 212), supporting assistance (sec. 402), and contingency fund (sec. 451). Under the Foreign Assistance Act of 1961, there is authorized to be appropriated for the fiscal year 1962 and the 4 succeeding fiscal years the total sum of \$7.5 billion. My proposal is much more modest. In setting the limit to the amount that would be authorized for our immediate public works program, I have used only the figure of \$1.5 billion—the amount authorized for the fiscal year 1963 only.

"My amendment would increase the amount authorized to be appropriated for the immediate public works program to \$2,645 million, computed as follows:

|                                 | Millions |
|---------------------------------|----------|
| Sec. 201—Development Loan Fund— | \$1,500  |
| Sec. 212—Development grants—    | 380      |
| Sec. 401—Supporting assistance— | 465      |
| Sec. 451—Contingency fund—      | 300      |
| Total—                          | 2,645    |

"In proposing this increase in the amount authorized to be appropriated, I have used only the authorizations contained in the Foreign Assistance Act of 1961. I have not considered the amounts of U.S. funds made available abroad through such lending agencies as the World Bank, Export-Import Bank, Inter-American Development Bank, etc. Billions of American dollars have been and are being channeled abroad through these agencies. In many cases, the so-called loans are not loans at all but grants.

"In my humble opinion, no situation is more tragic than that of men and women unemployed who wish to work and cannot find it. In my humble opinion, no situation is more paradoxical than that this wealthiest country on earth, which has poured out \$100 billion in the last decade and a half to help foreign countries, and proposes to spend even greater sums in the future for the same purpose, cannot meet its primary obligation to its own people.

"I am merely proposing, by this amendment, to offer a fraction for the relief of economic distress and the creation of employment for our fellow Americans of what we have been doing or are asked to do—and will doubtless continue to do—in far larger measure for inhabitants of 100 foreign countries.

"My amendment is as follows:

"On page 2, line 24, delete the words "the sum of \$600,000,000" and insert in lieu thereof the following: "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202 (for the fiscal year 1963), 212, 401, and 451 of the Foreign Assistance Act of 1961, as amended."

"In order to insure prompt action on this vitally needed measure by the Senate, I did not press my amendment in committee but must reserve my position on the amount authorized for an immediate program of public works when this bill is considered in the Senate."

#### EXHIBIT III

LET US JUST ONCE DO AT LEAST HALF AS MUCH FOR THE FOLKS AT HOME AS FOR THOSE IN FOREIGN LANDS

Mr. GRUENING. Mr. President, I send to the desk an amendment to S. 2965—the emergency public works bill—which it is my intention to call up at the appropriate time.

The amendment is simple.

It raises the amounts authorized to be appropriated for emergency public works from \$600 million to "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202—for the fiscal year 1963—212, 401, and 451 of the Foreign Assistance Act of 1961." Those are the exact words of my proposed amendment. However, in order that my colleagues may have the amendment before them in customary form, I ask unanimous consent that my amendment be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. GRUENING. Mr. President, I have previously served notice of my intention to offer this amendment in my individual views in the committee's report on S. 2965. I ask unanimous consent that those views be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRUENING. Mr. President, my amendment seeks only to place our domestic program for alleviating unemployment in a position of equality with what we are doing abroad. As a matter of fact, Mr. President, even if my amendment is adopted—and I sincerely trust that it will be—there still will not be equality.

The amendment which I propose would raise the maximum authorized to be appropriated for the program of emergency public works from \$600 million to \$2,645 million computed as follows:

|                                                                 |                 |
|-----------------------------------------------------------------|-----------------|
| Sec. 202—Development Loan Fund (for fiscal year 1963 only)----- | \$1,500,000,000 |
| Sec. 212—Development grants-----                                | 380,000,000     |
| Sec. 401—Supporting assistance-----                             | 465,000,000     |
| Sec. 451—Contingency fund-----                                  | 300,000,000     |
| Total-----                                                      | 2,645,000,000   |

Actually the Foreign Assistance Act of 1961, as amended, authorizes the appropriation of much more than \$2,645 million for foreign economic aid. Actually, for the 5 fiscal years beginning with fiscal year 1963, section 202 of the Foreign Assistance Act of 1961 authorizes the appropriation of \$1,500 million for each of these fiscal years or a total of \$7,500 million for the five.

Thus, even with the adoption of my amendment, there would be authorized to be appropriated for this "one shot" program of emergency public works to help our own unemployed only about one-third of the



amount authorized to be appropriated for foreign economic aid under the Foreign Assistance Act of 1961.

I wish to make it crystal clear that my amendment does not affect or apply to the standby provisions of S. 2965. Actually, it can be said that my amendment moves up the \$2 billion authorized for a program of standby public works to the emergency program and says in effect that emergency intended to be met by the standby program is upon us now.

And, considering the all too many pockets of depression of the United States, that is by no means an exaggeration.

We cannot accurately judge the human misery stalking our land by looking at the overall rate of unemployment.

During the week ending April 28, 1962, insured unemployment in Nome, Alaska, was 33.5 percent. It was no comfort to the unemployed worker in Nome to know that the national rate of insured unemployment during the same week was 4.3 percent.

The unemployed worker in Fairbanks—insured unemployment rate 17.9 percent—could derive little comfort from the fact that the Congress was talking about standby public works when things get worse.

How much worse must it get, Mr. President, before the Congress acts to relieve to the extent possible unemployment in the numerous pockets throughout the Nation?

I ask unanimous consent, Mr. President, that there be printed at the conclusion of my remarks a table, prepared by my office, of unemployment in Alaska for the week ending April 28, 1962. These figures have been derived from the Labor Market Bulletin issued by the Alaska Department of Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. GRUENING. Mr. President, this is no time to stand by. This is a time for bold, decisive action. In my opinion, nothing can be more heartrending than a man—a husband and a father—who cannot find work to support himself and family even though, week after week after week, he trudges wearily from door to door seeking such work. It is distressing for single men with no family responsibilities.

Dr. Kenneth Galbraith has written an excellent book entitled "Our Affluent Society" showing that more people in the United States are now living at a higher standard than ever before. I agree with the picture he has drawn in his book and I am happy that it is so.

But in rejoicing at the greater affluence of more and more of our people, let us not overlook the almost one-fourth of our Nation who are living in abject poverty without hope for the future or for their children's future unless prompt and intelligent measures are taken at once. The plight of these 40 million Americans is graphically pictured in a recent book by Mr. Michael Harrington, entitled "The Other America," published by Macmillan Co. this year. I commend it highly to my colleagues for it brings to our attention forcefully the need for immediate action—and action on a scale commensurate with the size of the problem.

As long as this problem exists for some 40 million Americans it is our inescapable duty to face it and to eliminate it as far as it is humanly possible. Our obligation to these Americans, in my judgment, supersedes aid for impoverished people in other lands. Moreover we shall be able to help these people in foreign countries all the better if we raise our own living standards and put an end to the costly wastes of chronic unemployment.

In this—the richest of all lands—such a situation cannot and should not be tolerated.

Nor should we meet an emergency situa-

tion with halfway measures. We should not delude the people of the Nation. We must bring to bear on a solution of this problem all the resources that are needed. To do less is little better than doing nothing at all. To do less would be to disappoint millions of unemployed men and women throughout the country who are looking to Congress for action now.

According to the report from the Area Redevelopment Agency of the Department of Commerce as of May 1, 1962, 933 areas in the United States are designated as eligible to take part in the area redevelopment program. These are divided as follows: 148 urban-industrial areas; 735 rural and small labor markets; and 50 Indian reservations.

These areas have a population of 34.7 million people and a labor force of 13.2 million. Of the latter 1.4 million are unemployed. Thus these areas have 19 percent of the Nation's population and 19 percent of the Nation's labor force, but they have 31 percent of the unemployed of the country.

Now what is proposed to meet the persistent high rate of unemployment of these 933 areas throughout the Nation?

It is proposed in S. 2965 to authorize the appropriation of \$2 billion for a program of public works on a standby basis, usable only if the total unemployment in the Nation rises to a predetermined figure. In addition, it is proposed to authorize the appropriation of an additional \$600 million for an emergency, immediate public works program. This sum averages about \$600 for each man and woman unemployed in these designated areas, assuming the entire amount is spent on wages, which, of course, will not be the case.

My amendment would quadruple that sum.

That quadrupled sum would be much more realistic considering the magnitude and the urgency of the problem.

I wish to make it absolutely clear that my proposal would not take a single penny from the foreign aid program. It merely uses the particular wording to point up the fact that we would be spending on this one-shot, emergency program here at home far less than we are spending abroad for economic aid.

The foreign aid program would continue as now authorized and the money appropriated for that program would remain intact, if Congress approves.

I know that the question will be raised: Can the sum you propose to spend on public works within 27 months actually be spent by the States economically and efficiently within that period of time.

It should be raised, and answered, because I do not want to propose anything here that would lead to wasteful expenditure of Federal funds. I know that none of my colleagues want to do so either.

But I do know that along with me many of my colleagues are concerned that we do enough to meet the problems of persistent unemployment in the 933 designated areas throughout the country.

In order to obtain the answer, I wired the Governors of the 50 States of the Nation and asked them the question and asked them to be specific in their replies. I ask unanimous consent that a copy of my telegram to the Governors of the States be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. GRUENING. Mr. President, I have to date received replies from the Governors of only 12 States who have indicated that they are ready to go with public works projects totaling \$1.6 billion.

I also ask unanimous consent that the detailed replies received from the Governors of

these States be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. GRUENING. Mr. President, let no one here delude himself.

We shall either spend this \$2,645 million on constructive investments in the future economic strength of the United States—in schools, hospitals, roads, sewer and water works, dams, airports and the like—or we shall spend that and much more in the next 27 months and in the years to come in unemployment compensation and in welfare payments, and suffer the loss of tax revenue which fuller employment will generate.

We cannot long neglect our own resources—human and natural—while building the resources of foreign nations. At stake is not our willingness to continue to aid the less developed countries: at stake is our ability to continue without at the same time renewing our own strength.

We can renew that strength by a program of public investments of the magnitude which I propose by my amendment.

In the years 1955–61, we have granted to foreign nations for foreign economic aid projects of exactly the same type as would be constructed under my amendment millions upon millions of American dollars.

Can we afford to do less for our own people at a time when many of the areas of our Nation are so hard pressed?

Can we afford to do less for the unemployed of the United States when we are doing so much for the unemployed and others abroad?

As one reads about the flight of capital from Latin America one cannot but compare the lack of faith of the rich of those nations with the abiding faith of our unemployed who are willing to pitch in and work but lack only the opportunity to work.

I ask, Mr. President, for an additional \$2 billion to give our own citizens the same chance that we have given and are giving to the citizens of other lands.

The question which each and every one of us must ask himself is this: Am I prepared to give to the unemployed of the depressed areas of Gadsden, Ala.; Anchorage, Alaska; Camden, Ark.; Modesto, Calif.; Bristol, Conn.; Carrollton, Ga.; Cairo-Metropolis, Ill.; Evansville, Ind.; Pittsburg, Kans.; Paducah, Ky.; Hammond, La.; Biddeford-Sanford, Maine; Cumberland, Md.; Lowell, Mass.; Detroit, Mich.; Duluth, Minn.; Washington, Mo.; Butte, Mont.; Atlantic City, N.J.; Schenectady, N.Y.; Fayetteville, N.C.; Portsmouth-Chillicothe, Ohio; Muskogee, Okla.; Altoona, Pa.; Providence, R.I.; Conway, C.C.; Greenville, Tenn.; Laredo, Tex.; Big Stone Gap-Appalachia, Va.; Aberdeen, Wash.; Charleston, W. Va.; and La Crosse, Wis., and the same opportunity that has been given to the unemployed in Sudan to work on a highway construction project involving 1.8 million American dollars, or the unemployed in Yemen to work on a highway construction project involving 3 million American dollars, or to the unemployed in the Republic of China to work on the Ku Kwan hydroelectric project involving 2.5 million American dollars, or to the unemployed in the Philippines to work on a port facilities and harbor improvement project involving 3.2 million American dollars.

For myself, Mr. President, the answer is abundantly clear. If I am expected to take care of the unemployed abroad with American dollars then I can do no less than take care of the unemployed here at home first and just as adequately.

Mr. President, to date I have received replies from Governors of the following States giving the amounts which they could use for public works which could be completed in 27 months:



| State:             | Amount       |
|--------------------|--------------|
| Alabama.....       | \$50,500,000 |
| Alaska.....        | 64,184,400   |
| California.....    | 183,000,000  |
| Colorado.....      | 20,926,000   |
| Connecticut.....   | 28,545,000   |
| Hawaii.....        | 24,111,912   |
| Maryland.....      | 92,590,000   |
| Michigan.....      | 639,000,000  |
| Nevada.....        | 4,968,000    |
| Ohio.....          | 329,259,645  |
| Washington.....    | 40,000,000   |
| West Virginia..... | 89,155,950   |

It is obvious from even this response that in all the States at least four times the amount of funds which I propose could be spent on useful public works projects to relieve unemployment in areas of chronic unemployment.

My proposal is really a very modest one considering the need.

#### EXHIBIT 1

On page 10, line 2, and on page 11, line 1, delete the words "the sum of \$600,000,000" and insert in lieu thereof the following: "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202 (for the fiscal year 1963), 212, 401, and 451 of the Foreign Assistance Act of 1961, as amended".

#### EXHIBIT 2

##### SEPARATE VIEWS OF MR. GRUENING

I voted to report favorably S. 2965 providing for both a standby program of public works and an immediate program of public works for which an appropriation of \$600 million was authorized.

It is my belief that much more than the authorized \$600 million is needed and could usefully be used to put the unemployed back to work.

In a statement distributed to the members of the Public Works Committee, I stated:

"On March 27, 1962, the able and distinguished Senator from New Mexico, Mr. Chavez, introduced an amendment to S. 2965, a bill to provide standby authority to accelerate public works program of the Federal Government and State and local public

bodies. The amendment would authorize the appropriation of \$600 million for an immediate public works program.

"I commend the Senator from New Mexico for his foresight in submitting such an amendment.

"However, the amount is, in my opinion, hardly sufficient to meet the economic strain now being experienced in certain areas of the Nation.

"Accordingly, I now offer an amendment to the amendment of the Senator from New Mexico, raising the amount authorized to be appropriated for a program of immediate public works to the same amount authorized to be appropriated for foreign economic assistance.

"It does seem to me that we should be willing to spend at least as much at home to take care of our own economically distressed areas as we are willing to spend abroad for aiding foreign economically distressed areas.

"My amendment does not, I admit, do equal justice as between foreign and domestic programs. Under the amendment proposed by the Senator from New Mexico, Mr. Chavez, only one appropriation is authorized; namely, the sum of \$600 million. Under my amendment, the limit of this one-time appropriation would be raised to the limit authorized in the Foreign Assistance Act of 1961 for the Development Loan Fund (sec. 202), the development grants and technical cooperation (sec. 212), supporting assistance (sec. 402), and contingency fund (sec. 451). Under the Foreign Assistance Act of 1961, there is authorized to be appropriated for the fiscal year 1962 and the 4 succeeding fiscal years the total sum of \$7.5 billion. My proposal is much more modest. In setting the limit to the amount that would be authorized for our immediate public works program, I have used only the figure of \$1.5 billion—the amount authorized for the fiscal year 1963 only.

"My amendment would increase the amount authorized to be appropriated for the immediate public works program to \$2,645 million, computed as follows:

|                       |                 |
|-----------------------|-----------------|
| "Sec. 202—Development |                 |
| Loan Fund.....        | \$1,500,000,000 |
| Sec. 212—Development  |                 |
| grants.....           | 380,000,000     |

|                                     |               |
|-------------------------------------|---------------|
| Sec. 401—Supporting assistance..... | \$465,000,000 |
| Sec. 451—Contingency fund.....      | 300,000,000   |
| Total.....                          | 2,645,000,000 |

"In proposing this increase in the amount authorized to be appropriated, I have used only the authorizations contained in the Foreign Assistance Act of 1961. I have not considered the amounts of U.S. funds made available abroad through such lending agencies as the World Bank, Export-Import Bank, Inter-American Development Bank, etc. Billions of American dollars have been and are being channeled abroad through these agencies. In many cases, the so-called loans are not loans at all but grants.

"In my humble opinion, no situation is more tragic than that of men and women unemployed who wish to work and cannot find it. In my humble opinion, no situation is more paradoxical than that this wealthiest country on earth, which has poured out \$100 billion in the last decade and a half to help foreign countries, and proposes to spend even greater sums in the future for the same purpose, cannot meet its primary obligation to its own people.

"I am merely proposing, by this amendment, to offer a fraction for the relief of economic distress and the creation of employment for our fellow Americans of what we have been doing or are asked to do—and will doubtless continue to do—in far larger measure for inhabitants of 100 foreign countries.

"My amendment is as follows:

"On page 2, line 24, delete the words "the sum of \$600,000,000" and insert in lieu thereof the following: "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202 (for the fiscal year 1963), 212, 401, and 451 of the Foreign Assistance Act of 1961, as amended".

"In order to insure prompt action on this vitally needed measure by the Senate, I did not press my amendment in committee but must reserve my position on the amount authorized for an immediate program of public works when this bill is considered in the Senate.

"ERNEST GRUENING."

#### EXHIBIT 3

##### Private industry insured unemployment rates by administrative area and industry

| By administrative area | This week<br>(Apr. 28, 1962) |                  | Last week<br>(Apr. 21, 1962) |                  | Year ago<br>(Apr. 29, 1961) |                  | By industry                       | This week<br>(Apr. 28, 1962) |                  | Last week<br>(Apr. 21, 1962) |                  | Year ago<br>(Apr. 29, 1961) |                  |
|------------------------|------------------------------|------------------|------------------------------|------------------|-----------------------------|------------------|-----------------------------------|------------------------------|------------------|------------------------------|------------------|-----------------------------|------------------|
|                        | Weeks<br>claimed             | IUR <sup>1</sup> | Weeks<br>claimed             | IUR <sup>1</sup> | Weeks<br>claimed            | IUR <sup>1</sup> |                                   | Weeks<br>claimed             | IUR <sup>1</sup> | Weeks<br>claimed             | IUR <sup>1</sup> | Weeks<br>claimed            | IUR <sup>1</sup> |
| State.....             | 5,322                        | 16.2             | 5,699                        | 17.4             | 6,500                       | 19.9             | Total.....                        | 5,322                        | 16.2             | 5,699                        | 17.4             | 5,600                       | 19.9             |
| Anchorage.....         | 3,005                        | 16.7             | 3,198                        | 17.8             | 3,315                       | 18.4             | Mining.....                       | 201                          | 17.4             | 257                          | 22.3             | 310                         | 27.6             |
| Fairbanks.....         | 1,220                        | 17.9             | 1,322                        | 19.3             | 1,664                       | 27.6             | Construction.....                 | 2,044                        | 45.0             | 2,238                        | 49.3             | 2,706                       | 46.6             |
| Juneau.....            | 282                          | 10.5             | 294                          | 10.9             | 328                         | 11.5             | Manufacturing.....                | 1,035                        | 19.7             | 985                          | 18.8             | 1,232                       | 21.5             |
| Ketchikan.....         | 276                          | 10.3             | 302                          | 11.3             | 500                         | 15.9             | Transportation and utilities..... | 462                          | 6.6              | 542                          | 7.7              | 502                         | 8.3              |
| Nome.....              | 177                          | 33.5             | 201                          | 38.0             | 207                         | 33.3             | Trade.....                        | 503                          | 6.2              | 571                          | 7.0              | 627                         | 8.3              |
| Petersburg.....        | 274                          | 34.7             | 297                          | 37.6             | 312                         | 40.9             | Finance.....                      | 56                           | 3.7              | 51                           | 3.4              | 80                          | 5.7              |
| Sitka.....             | 88                           | 7.2              | 85                           | 7.0              | 165                         | 13.8             | Service and other.....            | 1,021                        | 19.8             | 1,055                        | 20.5             | 1,043                       | 21.0             |

<sup>1</sup> Insured unemployment rate.

#### EXHIBIT 4

APRIL 18, 1962.

Senate Public Works Committee today reported emergency public works bill authorizing appropriations of \$600 million for one-shot effort for public works projects in economically distressed areas. As member of committee, I expressed concern that sum authorized was totally inadequate to meet Nation's needs. Would appreciate your writing me as soon as possible giving me as much information as possible concerning public works projects in economically distressed areas of your State which could be completed

in 27 months, giving estimated costs and man-hours of work which would be provided.

#### EXHIBIT 5

STATE OF ALASKA,  
Juneau, May 2, 1962.

HON. ERNEST GRUENING,  
U.S. Senate,  
New Senate Office Building,  
Washington, D.C.

DEAR SENATOR GRUENING: We have gathered the following information from the Alaska Department of Public Works.

Of the approximately \$388,812,748 listed

as capital improvement needs for the next 6 years, approximately \$99 million would be paid for by the State of Alaska, exclusive of any Federal moneys made available under Federal grant-in-aid programs. A summary of this \$388,812,748 program is set forth on page 8 of the attached document, "A Capital Improvement Program for the State of Alaska, 1962-68." Projects which are to be financed in whole or part from State or local funds are summarized on pages 11 through 17.

As you can see, we have a considerable inventory of buildings, structures and im-



provements that should be built. We do not have a great many projects ready to be advertised at this time, but we should be able to add to the list fairly quickly providing that we can obtain Housing and Home Finance Agency advances for advance planning and providing that the various bonding proposals pass. With the incentive provided by a public works act, such as S. 2965, the State could prepare a number of the more uncomplicated projects, such as classroom additions to State-operated schools, small State-operated schools for contract, and make application for Housing and Home Finance Agency planning advances and grants for the more extensive projects. Actually, we are now working on a number of applications for HHFA advances and grants for the planning and design of a number of State-operated schools and various facilities at the University of Alaska.

Accordingly, the following list of projects which are designed, are being designed, or will be designed in next year, very substantially understates our ability to utilize S. 2965 in carrying out the purpose of that act. In this connection, I should note that the capital improvement program is a conservative document. In preparing the capital improvement program many needed projects were deleted to hold the program within the State's ability to finance.

The projects which probably most nearly qualify for immediate consideration under a standby public works act are:

1. The International Airport Terminal buildings projects at Anchorage and Fairbanks, representing a value of \$3.8 million and \$1.8 million, respectively, are fully complete and ready for bidding.

2. Projects which are now in the planning stage with design completion anticipated before August of this year are Salcha Elementary School (\$160,000), Eagle River School addition (\$288,000), Soldotna School addition (\$183,000), and Glen Allen refrigeration and foundation (\$55,000). Funds for these projects have been provided under the 1962-63 State education budget. The total for these schools is \$686,000.

3. At present, three applications are being prepared for submittal to the Housing and Home Finance Agency for an "advance for public works planning." If approved, funds would be available to complete architectural-engineering design for the Ninilchik School addition (\$400,000), the Metlakatla Elementary School (\$600,000), and the Fort Yukon School addition (\$260,000). Approximately 5 months will be required before these projects would be "set to go." The total for these schools is \$1,260,000.

4. The following schools might be ready for contract this year if the \$5 million bond issue for State operated schools passes:

|                                               |                  |
|-----------------------------------------------|------------------|
| Ambler School.....                            | \$55,000         |
| Eagle River (further classroom addition)..... | 52,000           |
| Delta Junction.....                           | 516,000          |
| Homer.....                                    | 554,000          |
| Tanana.....                                   | 252,000          |
| North Kenai.....                              | 554,000          |
| Sterling.....                                 | 150,000          |
| Chugiak High School.....                      | 1,200,000        |
| McGrath.....                                  | 78,000           |
| Brown's Ct.....                               | 160,000          |
| Fortuna Ledge.....                            | 78,000           |
| <b>Total.....</b>                             | <b>3,649,000</b> |

NOTE.—The legislature appropriated \$75,000 for planning and design for Chugiak High School. Some preliminary work has already been done on this project.

5. The vocational school at Nome, although funded under a \$1,500,000 general obligation bond authorization, is another project which could qualify. Final plans could be completed within 5 months.

6. If the \$7,200,000 bonding program for the University of Alaska passes, money will be available for the construction of an addition to the engineering and physical sciences building, a biological sciences and renewable resources building, completion of the university's new heating plant, and other related facilities.

7. Invitations to bid on the construction of fire and crash stations at the Anchorage and Fairbanks International Airports, approximately \$180,000 each, will be advertised this June.

8. A \$160,000 addition to the Miner and Minerals Building in Anchorage may be erected in the 1963 construction season.

9. Proposed water and harbors projects scheduled for the 1962 and 1963 construction seasons which are not yet under contract are:

|                             |                |
|-----------------------------|----------------|
| Angoon, docks.....          | \$50,000       |
| Cordova, floats.....        | 50,000         |
| Craig, dock.....            | 40,000         |
| Douglas, floats.....        | 45,000         |
| Homer, floats.....          | 65,000         |
| Hydaburg, dock.....         | 25,000         |
| Hyder, float.....           | 7,500          |
| Klawock, dock approach..... | 40,000         |
| Kodiak, floats.....         | 30,000         |
| Ninilchik, floats.....      | 23,000         |
| Seldovia, floats.....       | 65,000         |
| Seward, floats.....         | 46,000         |
| Valdez, floats.....         | 38,000         |
| Wrangell, floats.....       | 31,000         |
| <b>Total.....</b>           | <b>555,500</b> |

NOTE.—Considerable work has been done on some of the foregoing projects or is now underway. Since this work is already contracted out, it is not reflected in the above estimated cost figures. Other projects which are now under contract are also not reflected.

10. The following bush airfields are programmed for construction in the 1962 and 1963 construction seasons:

|                      |          |
|----------------------|----------|
| New Stuyahok.....    | \$15,000 |
| Alitak.....          | 50,000   |
| Anvik.....           | 15,000   |
| Buckland.....        | 10,000   |
| Chevak.....          | 15,000   |
| Circle City.....     | 7,500    |
| Egegik.....          | 20,000   |
| False Pass.....      | 10,000   |
| Goodnews.....        | 10,000   |
| Holikachuk.....      | 15,000   |
| Kasaan.....          | 5,000    |
| Koliganek.....       | 10,000   |
| Koyukuk.....         | 15,000   |
| McCarthy.....        | 49,000   |
| Metlakatla.....      | 5,000    |
| Nulato.....          | 25,000   |
| Ouzinkie.....        | 30,000   |
| Pilot Point.....     | 15,000   |
| Quinhagak.....       | 5,000    |
| Russian Mission..... | 15,000   |
| Shakeluk.....        | 7,400    |

|                           |                |
|---------------------------|----------------|
| Shungnak.....             | \$10,000       |
| Stebbins-St. Michael..... | 10,000         |
| Tanunak.....              | 15,000         |
| Togiak.....               | 10,000         |
| <b>Total.....</b>         | <b>393,900</b> |

I have omitted mention of projects planned for our annual \$37 to \$40 million Federal aid highway program and the Federal aid airport program. I gather that these programs will not be affected by the proposed standby public works act.

If I can supplement any of this information, please let me know.

Sincerely,

GARY THURLOW,  
Executive Assistant.

SACRAMENTO, CALIF., May 7, 1962.

Hon. ERNEST GRUENING,  
U.S. Senator,  
Washington, D.C.:

In reply to your telegram of April 18, it is estimated that the State of California could initiate and accelerate \$183 million in public works projects and complete them within a period of 27 months. These projects would utilize an estimated 18 million man-hours of labor at the jobsite.

EDMUND G. BROWN,  
Governor of California.

OLYMPIA, WASH., May 2, 1962.

Hon. ERNEST GRUENING,  
U.S. Senator,  
Senate Office Building,  
Washington, D.C.:

Review of public works of our State indicates that nearly \$400 million would be needed for the completion of the total public works projects contemplated in the next 3 to 4 years in economically distressed areas when limited to projects believed to have a completion date within a 27-month period. The total would amount approximately to \$40 million. This latter figure would represent specific items such as buildings, utilities, etc. The larger figure given would include such items as dam completion, the canal possibility, atomic generation of electric power, and steam generation coal plants.

ALBERT D. ROSELLINI,  
Governor of Washington.

THE STATE OF NEVADA,  
Carson City, April 27, 1962.

Hon. ERNEST GRUENING,  
Senate Public Works Committee  
U.S. Senate, Washington, D.C.

DEAR SENATOR GRUENING: I am happy to supply the information you requested in your recent telegram regarding the emergency public works bill.

The accompanying data, compiled by our department of highways, relates to roadway construction contemplated or underway in the counties of Lincoln and Mineral, the two Nevada counties officially recognized by the Federal Government as depressed under the area redevelopment program.

I trust the enclosed data provides you with the information you desire. If I can be of any further service, please let me know.

Cordially,

GRANT SAWYER,  
Governor.



Road contracts to be completed within approximately the next 27 months, Lincoln and Mineral Counties, Nev.

STATE OF COLORADO,  
Denver, April 27, 1962.

HON. ERNEST GRUENING,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR GRUENING: In response to your telegram of April 18, we are enclosing a list of public works projects in Colorado redevelopment areas that reportedly could be initiated and completed in 27 months subject to availability of funds.

This information was accumulated through contact with various city and county officials and State agencies.

We are not entirely familiar with the criteria for eligibility to participate under the terms of the proposed legislation or with the legislative definition of public works. We have not, therefore, attempted to evaluate whether or not all of the listed projects could qualify for assistance under the proposed legislation.

We were not able to obtain an assessment of the man-hours of work which would be provided by the projects as engineering studies are not available in connection with most of the proposals.

Very truly yours,

STEVE McNICHOLS.

|                                                                                                                                               | Estimated construction cost | Estimated man-hours |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------|
| <b>Lincoln County:</b>                                                                                                                        |                             |                     |
| Project S-544(10) U.S. 93 from 14 miles southeast to 1 mile north of Alamo (15 miles)                                                         | \$1,800,000                 | 150,000             |
| Project S-544(9) U.S. 93 from 14 miles to 22 miles southeast of Alamo (8 miles)                                                               | 700,000                     | 63,000              |
| Project F-008-1(3) SR 25, from 2d St. to 6th St. in Panaca (0.5 mile)                                                                         | 70,000                      | 7,000               |
| Subtotal                                                                                                                                      | 2,370,000                   | 220,000             |
| <b>Mineral County:</b>                                                                                                                        |                             |                     |
| Project F-004-1(3) U.S. 6 from 8.6 miles east of California-Nevada State line to 3.5 miles east of Basalt (6.7 miles) (construction underway) | 948,000                     | 86,000              |
| Project F-004-1(4) U.S. 6 from California-Nevada State line to 8.6 miles east (8.6 miles) (construction underway)                             | 1,100,000                   | 99,000              |
| Project E-525(1) FAS 525 from Nevada-Scheelite mine north to U.S. 50 (19.1 miles) (25 percent of this project in Mineral County)              | 550,000                     | 52,000              |
| Subtotal                                                                                                                                      | 2,598,000                   | 237,000             |
| Grand total                                                                                                                                   | 4,968,000                   | 457,000             |

List of public works projects in redevelopment areas that could be initiated and completed in 27 months if funds were available as reported by various city and county officials and projects listed by the game and fish department

| Area        |                      | Description                                               | Estimated cost |
|-------------|----------------------|-----------------------------------------------------------|----------------|
| County      | City                 |                                                           |                |
| Alamosa     |                      | Water service to East Alamosa                             | \$250,000      |
|             |                      | Community youth center                                    | 200,000        |
|             |                      | Addition to county courthouse                             | 150,000        |
|             |                      | Storm sewer and curb and gutter for East Alamosa          | 50,000         |
|             |                      | Dike and river work on Rio Grande through city of Alamosa | 50,000         |
|             |                      | Total                                                     | 700,000        |
|             | Alamosa              | Paving city streets                                       | 386,000        |
|             |                      | Extending airport runway                                  | 40,000         |
|             |                      | New water well, mains, and extensions                     | 100,000        |
|             |                      | Enlarge sewer lagoons                                     | 50,000         |
|             |                      | Storm sewer, South Alamosa                                | 60,000         |
| Clear Creek |                      | Sanitary sewer system; new major trunkline                | 330,000        |
|             |                      | Total                                                     | 966,000        |
|             |                      | Total, Alamosa County                                     | 1,666,000      |
|             | Georgetown Reservoir | Georgetown Reservoir                                      | 360,000        |
|             |                      | Shortwave communication system for city and county        | 8,000          |
|             |                      | City street paving                                        | 75,000         |
|             | Idaho Springs        | Sewage disposal plant                                     | 20,000         |
|             |                      | Total                                                     | 103,000        |
|             | Georgetown           | Sewage disposal plant and collection system               | 100,000        |
|             |                      | Develop Georgetown Lake as recreational area              | 225,000        |
|             |                      | Rebuild water distribution system                         | 100,000        |
| Conejos     |                      | Total                                                     | 425,000        |
|             |                      | Total, Clear Creek County                                 | 888,000        |
|             |                      | No county projects reported                               |                |
|             | Antonito             | 75 low-cost dwellings for transient workers               | 400,000        |
|             |                      | Waterline                                                 | 60,000         |
|             |                      | Sewer system                                              | 180,000        |
|             | La Jara              | Total                                                     | 640,000        |
|             |                      | No projects reported                                      |                |
|             |                      | Total, Conejos County                                     | 640,000        |
| Costilla    |                      | County courthouse and jail                                | 225,000        |
|             |                      | County shops                                              | 100,000        |
|             |                      | Fort Garland community building                           | 35,000         |
|             |                      | Hospital addition                                         | 50,000         |
|             |                      | San Luis Water and Sanitation District sewage system      | (1)            |
|             | Blanca               | Total                                                     | 410,000        |
|             |                      | Water and sanitation system                               | (1)            |
|             |                      | Total, Costilla County                                    | 410,000        |

Footnote at end of table.



List of public works projects in redevelopment areas that could be initiated and completed in 27 months if funds were available as reported by various city and county officials and projects listed by the game and fish department—Continued

| Area       |                          | Description                                                                                                             | Estimated cost |
|------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------|
| County     | City                     |                                                                                                                         |                |
| Gilpin     | Blackhawk                | Improvement, Corona Pass Rd.                                                                                            | \$225,000      |
|            |                          | Water system and sewage disposal plant                                                                                  | 75,000         |
|            | Central City             | Water system and sewage disposal plant                                                                                  | 100,000        |
|            |                          | Recreational development, park, etc.                                                                                    | 25,000         |
|            | Total                    |                                                                                                                         | 125,000        |
|            | Total, Gilpin County     |                                                                                                                         | 425,000        |
| Huerfano   |                          | County courthouse and jail                                                                                              | 1,000,000      |
|            |                          | Surfacing country roads to ski and other scenic areas                                                                   | 239,000        |
|            |                          | Acquisition and development of irrigation system for development of recreational facilities for Huerfano-Cucharas area. | 3,000,000      |
|            |                          | Waterfowl development                                                                                                   | 110,000        |
|            |                          | Total                                                                                                                   | 4,349,000      |
|            | La Veta                  | Expansion of sewer collection system and disposal plant                                                                 | 40,000         |
|            |                          | Water filter plant                                                                                                      | 65,000         |
|            | Total                    |                                                                                                                         | 105,000        |
|            | Walsenburg               | Sewage disposal plant                                                                                                   | 158,000        |
|            |                          | Street paving, curbs, gutters, and storm sewer system                                                                   | 500,000        |
|            |                          | Rebuilding and extending waterlines                                                                                     | 100,000        |
|            |                          | Purchase and install watermeters                                                                                        | 108,000        |
|            |                          | Extension of sewerlines                                                                                                 | 42,000         |
|            |                          | Rebuilding electric distribution system and expanding electric production facilities                                    | 1,500,000      |
|            |                          | City park recreational area                                                                                             | 50,000         |
|            |                          | Mine museum                                                                                                             | 18,000         |
|            |                          | Senior high school                                                                                                      | 750,000        |
|            | Total                    |                                                                                                                         | 3,226,000      |
|            | Total, Huerfano County   |                                                                                                                         | 7,680,000      |
| Las Animas |                          | Grade and pave Cucharas Pass for 12 miles                                                                               | 1,000,000      |
|            |                          | Construction of 2-mile connecting roads between 2 State highways                                                        | 40,000         |
|            |                          | Recreational development at fairgrounds                                                                                 | 50,000         |
|            |                          | Pave connecting road from Aguilar to Highway 111                                                                        | 200,000        |
|            |                          | Develop mountain recreation area                                                                                        | 100,000        |
|            |                          | Enlargement of North Lake                                                                                               | 100,000        |
|            |                          | Enlargement of Monument Lake                                                                                            | 200,000        |
|            |                          | Alkali Creek Reservoir                                                                                                  | 100,000        |
|            |                          | New road construction, North Fork, Purgatoire River                                                                     | 50,000         |
|            |                          | Total                                                                                                                   | 1,840,000      |
|            | Aguilar                  | Filter plant and water distribution system                                                                              | 200,000        |
|            |                          | Pave streets                                                                                                            | 50,000         |
|            | Cokerdale                | Water distribution and storage                                                                                          | 300,000        |
|            |                          | Total                                                                                                                   | 350,000        |
|            | Trinidad                 | New sewage lines and disposal plant                                                                                     | 627,000        |
|            |                          | Animas St. Bridge over Purgatoire River                                                                                 | 230,000        |
|            |                          | Rebuild water distribution system and water storage facilities                                                          | 2,230,000      |
|            |                          | Curb and gutter and paving                                                                                              | 1,500,000      |
|            |                          | Garbage, refuse, and disposal                                                                                           | 40,000         |
|            |                          | Police and fire building                                                                                                | 200,000        |
|            |                          | Development of Monument Lake Recreational Area                                                                          | 2,000,000      |
|            | Total                    |                                                                                                                         | 6,827,000      |
|            | Total, Las Animas County |                                                                                                                         | 9,217,000      |
|            | Grand total              |                                                                                                                         | 20,926,000     |

<sup>1</sup> No estimate.

THE STATE OF OHIO,  
Columbus, April 27, 1962.

The Honorable ERNEST GRUENING,  
U.S. Senator,  
Senate Office Building, Washington, D.C.

DEAR SENATOR: Mr. E. S. Preston, director of highways, has estimated that in the 20 counties which have been declared as distressed areas, that his department could have the capacity to develop plans and complete \$250 million worth of highway construction projects in the next 27 months. There is now under construction in the same area 102

miles of highways estimated to cost \$79,797,000. He further estimates that the \$250 million highway construction program would generate 28 million man-hours of work.

This area, I think, will be benefited immeasurably by the improvement of the highway situation which I think contributes very largely to the chronic depression that exists. If it is difficult to move man and materials into a community, then this community does not lend itself to industrial or economic development. Other programs can be of assistance, but there is no program that can be

more helpful and is as basic as is the improvement of the manner of transportation.

I have asked our director of public works to also report on the necessities of this area with reference to public works generally and, as soon as those figures are available, we will make them available to you.

With all best personal wishes to you, I am,

Sincerely,

MICHAEL V. DiSALLE,  
Governor.



## Ohio Department of Natural Resources—Public works projects for economic distressed areas in Ohio

| Project                                          | Description                                                                                           | County     | Total cost  | Labor, man-hours | Department's priority | Annual economic benefits | Remarks                                                                                                                         |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------|-------------|------------------|-----------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Ohio Brush Creek Reservoir                       | Recreation and water supply                                                                           | Adams      | \$3,530,700 | 321,920          | 3                     | \$3,000,000              | Construction plans needed.                                                                                                      |
| Brush Creek and Shawnee State Forests            | Timber stand improvement, roads and trails, structures                                                | do         | 442,060     | 268,350          | 1                     | (1)                      |                                                                                                                                 |
| Trimble water system                             | Village distribution system                                                                           | Athens     | 60,000      | 4,081            | 1                     | 5,000                    | Plans complete.                                                                                                                 |
| Strouds Run State Park development               | Buildings, water and sewer, camping, swimming beach, roads and parking docks and ramps, reforestation | do         | 600,000     | 50,000           | 3                     | 50,000                   | Estimate 10,000 annual increase park attendance. Dow Lake in this park is an attraction which far exceeds facilities available. |
| Waterloo, Gifford, and Athens Park State Forests | TSI, roads and trails, structures                                                                     | do         | 74,011      | 45,260           | 1                     | (1)                      |                                                                                                                                 |
| Belmont Lake                                     | Road relocation                                                                                       | Belmont    | 205,000     | 17,083           | 1                     |                          | Plans complete.                                                                                                                 |
| Barkcamp State Park                              | Buildings, water and sewer, roads and parking, docks and ramps, reforestation, camping, picnic areas  | do         | 700,000     | 58,000           | 3                     | 500,000                  | New park with lake ready for filling except for road relocation. Would serve transient trade using Interstate 70.               |
| White Oak Reservoir                              | Recreation and water supply                                                                           | Brown      | 3,106,784   | 121,872          | 3                     | 1,500,000                | Construction plans needed.                                                                                                      |
| Stonelick State Park development                 | Camping area                                                                                          | Clermont   | 250,000     | 20,833           | 1                     | 150,000                  | Construction plans complete.                                                                                                    |
| Salt Fork Reservoir                              | Water supply and recreation                                                                           | Guernsey   | 2,157,600   | 206,757          | 1                     | 4,000,000                | Construction plans complete. Includes road relocation and land needed.                                                          |
| Hocking State Park development                   | Camping area                                                                                          | Hocking    | 257,000     | 21,417           | 1                     | 100,000                  | Plans complete.                                                                                                                 |
| Hocking and Tar Hollow State Forests             | TSI, roads and trails structures                                                                      | do         | 244,215     | 138,650          | 1                     | (1)                      |                                                                                                                                 |
| Richland Furnace State Forest                    | do                                                                                                    | Jackson    | 426,000     | 252,000          | 1                     | (1)                      |                                                                                                                                 |
| Dean State Forest                                | TSI, roads and trails                                                                                 | Lawrence   | 48,500      | 30,000           | 1                     | (1)                      |                                                                                                                                 |
| Forked Run State Park development                | Camping area                                                                                          | Meigs      | 70,000      | 5,833            | 1                     | 50,000                   | Do.                                                                                                                             |
|                                                  | Buildings, roads and parking, reforestation                                                           | do         | 75,000      | 6,000            | 3                     |                          |                                                                                                                                 |
| Shade River State Forest                         | TSI, roads and trails structures                                                                      | do         | 94,825      | 41,370           | 1                     | (1)                      |                                                                                                                                 |
| Burr Oak State Park development                  | Camping area                                                                                          | Morgan     | 110,000     | 9,167            | 1                     | 75,000                   | Do.                                                                                                                             |
| Wolf Run Reservoir                               | Water supply and recreation                                                                           | Noble      | 577,830     | 48,153           | 2                     | 500,000                  | Need construction plans.                                                                                                        |
| Pike State Forest                                | TSI, roads and trails structures                                                                      | Pike       | 416,800     | 243,900          | 1                     | (1)                      |                                                                                                                                 |
| Ross County Lake                                 | Recreation                                                                                            | Ross       | 400,000     | 25,000           | 1                     | 50,000                   | Feasibility report being completed.                                                                                             |
| Scioto Trail and Tar Hollow State Forests        | TSI, roads and trails structures                                                                      | do         | 526,600     | 329,300          | 1                     | (1)                      |                                                                                                                                 |
| Shawnee Recreational Area                        | Construct 3 impoundments and reconstruct another for recreation                                       | Scioto     | 506,933     | 42,245           | 2                     | 150,000                  | Need construction plans.                                                                                                        |
| Shawnee and Brush Creek State Forests            | TSI, roads and trails structures                                                                      | do         | 1,322,400   | 813,900          | 1                     | (1)                      |                                                                                                                                 |
| Lake Hope State Park development                 | Camping area                                                                                          | Vinton     | 86,000      | 7,167            | 1                     | 150,000                  | Plans complete.                                                                                                                 |
|                                                  | Cabins, water and sewer, swimming pool, roads, and parking                                            | do         | 1,300,000   | 108,000          | 3                     | 320,000                  | Estimate of 64,000 annual increase in park attendance.                                                                          |
| Wheelabout Reservoir                             | Recreational impoundment                                                                              | do         | 130,000     | 6,667            | 2                     | 150,000                  | Construction plans needed.                                                                                                      |
| Zaleski and Tar Hollow State Forests             | TSI, roads and trails, structures                                                                     | do         | 533,343     | 320,225          | 1                     | (1)                      |                                                                                                                                 |
| Muskingum River locks and dams                   | Repairs to locks and dams 1 to 8, inclusive, for recreation and commerce                              | Washington | 677,870     | 56,489           | 1                     | 233,000                  | Construction plans needed. Preliminary design on No. 6 completed.                                                               |
|                                                  | Fishermen's access and boat ramps at 8 lock and dam pools                                             | do         | 20,000      | 2,000            | 1                     | 48,000                   | These facilities would accommodate 16,000 fishermen per year.                                                                   |
| Total                                            |                                                                                                       |            | 18,855,645  | 3,582,369        |                       |                          |                                                                                                                                 |

<sup>1</sup> The improvement of the timber stands on State forests will not result in immediate financial returns to the community except for the wages paid to local workers; however, ample benefits will be enjoyed in future years. Timber stand improvement includes tree planting, pruning crop trees, thinning dense stands, and removal of cull trees and vines. The increase in value to the remaining stand will result from more

rapid growth and higher quality timber. Under Ohio conditions, this improvement will often double the volume of wood produced. The cutting and fabricating of the raw materials will support local industries and attract new users of wood to these dependable sources of supply. Recreational benefits will accrue also. Wild land under intensive forest management produces maximum populations of wildlife.

## OHIO

## Project cost summary by counties

|                |            |
|----------------|------------|
| Adams          | \$136,050  |
| Athens         | 19,280,700 |
| Belmont        | 989,630    |
| Brown          | 114,080    |
| Clermont       | 61,050     |
| Gallia         | 7,597,360  |
| Guernsey       | 3,268,563  |
| Highland       | 19,080     |
| Hocking        | 1,460,860  |
| Jackson        | 19,080     |
| Lawrence       | 101,360    |
| Meigs          | 536,360    |
| Monroe         | 19,080     |
| Morgan         | 903,360    |
| Noble          | 229,080    |
| Pike           | 81,080     |
| Portage        | 17,517,223 |
| Ross           | 137,080    |
| Scioto         | 2,580,360  |
| Vinton         | 972,050    |
| Washington     | 557,510    |
| Southeast Ohio | 3,823,709  |
| Total          | 60,404,705 |

STATE OF MICHIGAN,  
Lansing, April 19, 1962.

HON. ERNEST GRUENING,  
U.S. Senator,  
Washington, D.C.

DEAR SENATOR GRUENING: The Senate Public Works Committee's approval of President Kennedy's \$2.6 billion public works program to combat unemployment is encouraging.

With 268,000 workers, 9.2 percent of our labor force, currently unemployed in our State, we feel the need of this legislation is eminent.

You ask for information concerning Michigan's ability to participate in the \$600 million immediate effect provision of the program.

We currently have 53 areas in our State that qualify under this legislation as area redevelopment or eligible labor surplus areas. In an analysis I recently conducted, I found that we are ready to embark upon capital improvement programs totaling \$639 million that would provide approximately 60,000 man-years of employment. These figures were developed only from those projects in Michigan that can meet the limitations of the \$600 million proposal. They constitute, if anything, an understatement of the volume of activity that could be started in Michigan without delay.

While we have not projected our figures to a period longer than 12 months, it is our belief that the backlog of public works projects that could be initiated at the present time in Michigan would certainly absorb any extension of the time and financial limits of the program.

Concerning the time duration of the project, I urged the House Public Works Committee to grant a flexible time limit for project duration. Due to weather conditions in Michigan, a limit of 12 months would prohibit the initiation of some public works projects that might otherwise qualify.

My statement to the House Committee on Public Works contains a detailed breakdown of the type of projects we could initiate in Michigan. I am enclosing a copy of this statement for your information.

Sincerely,

JOHN B. SWAINSON,  
Governor.

STATE OF CONNECTICUT,  
Hartford, April 26, 1962.

HON. ERNEST GRUENING,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR GRUENING: The following is a list of public works projects as requested in your telegram of April 18:

## Ansonia area:

|                                                                                                            |             |
|------------------------------------------------------------------------------------------------------------|-------------|
| Ansonia-Derby flood control project                                                                        | \$6,000,000 |
| Street and road reclassification project                                                                   | 250,000     |
| Sewage disposal plant                                                                                      | 1,000,000   |
| Additional recreational facilities                                                                         | 100,000     |
| Reconstruction of Route 34 in Derby from 3d St. to A St.                                                   | 200,000     |
| Reconstruction of 0.2 mile of Route 115 and railroad underpass, Maple Street to Broad St., town of Seymour | 1,000,000   |
| Reconstruction of 1.5 miles of Route 115 in Derby and Ansonia from Route 34 to Colburn St.                 | 800,000     |



|                                                                                                                           |             |
|---------------------------------------------------------------------------------------------------------------------------|-------------|
| Bristol area:                                                                                                             |             |
| City hall (Bristol)-----                                                                                                  | \$1,630,000 |
| Civil center (Bristol)-----                                                                                               | 450,000     |
| Fire station (Bristol)-----                                                                                               | 250,000     |
| City streets (Bristol)-----                                                                                               | 2,000,000   |
| Sewage treatment plant (Bristol)-----                                                                                     | 2,535,000   |
| Airport (town of Plymouth)---                                                                                             | 500,000     |
| Industrial park (town of Plymouth)-----                                                                                   | 500,000     |
| Construction of truck climbing lane on Route 69, Bristol-----                                                             | 205,000     |
| Widening approximately 1 mile of Route 6, Bristol, in Jerome Ave. vicinity-----                                           | 250,000     |
| Extension of truck climbing lane on Route 6 in Plymouth from end of 1962 construction to vicinity of Todd Hollow Rd.----- | 100,000     |
| Correcting sight line on Route 6, in Plymouth, in the vicinity of Orchard and Kellogg Sts.-----                           | 150,000     |
| Sewer treatment plant and pumping station (Killingly)---                                                                  | 800,000     |
| Town dump and incinerator (Killingly and Putnam jointly)-----                                                             | 700,000     |
| Downtown renewal project (Killingly)-----                                                                                 | 3,000,000   |
| Town roads drainage and repair (Killingly)-----                                                                           | 100,000     |
| Sewage facilities and disposal (Plainfield)-----                                                                          | 500,000     |
| Recreational project-----                                                                                                 | 150,000     |
| Correction of sight line on Route 169 1 mile south of Brooklyn town line-----                                             | 75,000      |
| Reconstruction of 1.2 miles of Route 171 from Thompson town line to Quinebaug River-----                                  | 400,000     |
| Reconstruction of 2.6 miles of Route 169 in Pomfret and Woodstock from Route 44 to Route 171-----                         | 700,000     |
| Reconstruction of Maple Street, Killingly, from Route 6 to Route 101-----                                                 | 375,000     |
| Reconstruction of Route 12 south of Route 6 underpass-----                                                                | 200,000     |
| Reconstruction of Route 12 in Putnam and Thompson from 300 feet south of Route 12 to 0.5 mile north of Route 193-----     | 4,500,000   |
| Resurfacing of Main Street, Killingly-----                                                                                | 100,000     |

The estimated cost of the above-listed projects is \$28,545,000 including \$19,865,000 in local projects and \$8,680,000 in State highway department projects.

Sincerely,

JOHN DEMPSEY,  
Governor.

STATE OF MARYLAND,  
DEPARTMENT OF ECONOMIC DEVELOPMENT,  
Annapolis, Md., April 25, 1962.

The Honorable ERNEST GRUENING,  
U.S. Senator,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR GRUENING: Governor Tawes has asked me to reply to your telegram of April 18 regarding possible public works projects in persistent labor surplus areas of Maryland.

To date we have been able to learn of 23 projects in such areas whose total cost is estimated at approximately \$92,590,000. It is estimated that total man-hours would exceed 15,600,000.

The single most expensive project would be the relocation of U.S. Route 40 as a 4-lane highway for a distance of 112 miles from Hancock, Md., to Washington County, Pa. This would traverse five labor surplus counties. The estimated construction cost for the entire highway, exclusive of right-of-

way acquisition, is \$84,400,000 providing an estimated 15,275,000 man-hours of work.

The most critical Allegany County project is the construction of a new Pinto Bridge and improvement of the road from the bridge to U.S. 220. The existing bridge is wholly inadequate for the movement of employees to and from the Allegany Ballistics Laboratory and efficient delivery of some materials to the plant. The estimated cost for this project is \$1 million involving 100,000 man-hours.

There are at least four projects in Washington County including the proposed North-East Highway at a cost of \$400,000 and 75,000 man-hours. A new water transmission main from Williamsport to Hagerstown would cost \$1,450,000. There is no estimate of the number of man-hours. A project involving sewer system extensions in Hagerstown and other Washington County towns would cost \$3,500,000. Again there is no estimate of man-hours. Sewer and water main extensions and highway improvements to a proposed industrial park would cost \$670,000. The number of man-hours is unknown at this time. The total cost of these Washington County projects is \$6,020,000. Man-hours were computed for only one of the four projects; i.e., 75,000 man-hours.

Seventeen projects for the city of Cambridge in Dorchester County were proposed and a tabulation is enclosed. The total cost is \$1,070,000 involving 196,800 man-hours.

We are also endeavoring to uncover other appropriate projects and will forward details next week.

I hope this information will be useful and please wire or phone if additional details are required.

Cordially,

ROBERT M. SPARKS,  
Chief, Business and Industrial Development.

*City of Cambridge, Md.—List of projects which could be completed in 27 months*

| No. and name of project                                     | Approximate cost | Approximate labor-hours |
|-------------------------------------------------------------|------------------|-------------------------|
| 1. Improvements to Race St.-----                            | \$19,000         | 4,000                   |
| 2. Streets and utilities, Plaza Park, part 1.-----          | 18,500           | 4,000                   |
| 3. Improvements to Maryland Ave.-----                       | 12,000           | 3,200                   |
| 4. Extension of Goodwill Ave.-----                          | 13,500           | 3,500                   |
| 5. Streets and utilities, Parkside subdivision.-----        | 33,000           | 6,000                   |
| 6. Sewage pumping station, Stone Boundary Development.----- | 20,000           | 3,800                   |
| 7. Bozarth Farms area, drainage.-----                       | 33,000           | 6,000                   |
| 8. Improvements to sewage system, Jimson Rd.-----           | 33,000           | 6,000                   |
| 9. Repair shop and garage, public works department.-----    | 9,000            | 2,400                   |
| 10. Sewer, storm water separation, Fairmount Ave.-----      | 70,000           | 12,000                  |
| 11. Improvements to Leonards Lane.-----                     | 80,000           | 14,000                  |
| 12. Drainage improvements, Dorchester Ave.-----             | 24,000           | 4,300                   |
| 15. Drainage improvements, Phillips Ave., Robbins St.-----  | 30,000           | 5,400                   |
| 14. Sludge disposal units, sewage treatment plant.-----     | 200,000          | 40,000                  |
| 15. Improvements to water distribution system.-----         | 340,000          | 58,000                  |
| 16. Woods road to wire cloth intercepting sewer.-----       | 100,000          | 18,000                  |
| 17. New 1,000,000 gallons per day well.-----                | 35,000           | 6,200                   |
| Total-----                                                  | 1,070,000        | 196,800                 |

STATE OF ALABAMA,  
DEPARTMENT OF INDUSTRIAL RELATIONS,  
Montgomery, April 23, 1962.

HON. ERNEST GRUENING,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR GRUENING: At the request of Governor Patterson, I am pleased to fur-

nish the information requested in your telegram of April 18, 1962, regarding emergency public works which might be completed in Alabama in 27 months.

Both the State highway department and the State conservation department, which would be largely responsible for emergency public works, made estimates and plans sometime ago. Engineering has been completed and it is believed all projects could be commenced within 6 months.

The following estimates, in broad categories, cover proposed projects in those areas declared economically depressed:

|                                                                                 |             |
|---------------------------------------------------------------------------------|-------------|
| County roads and bridges-----                                                   | \$3,500,000 |
| State highways-----                                                             | 8,000,000   |
| Interstate highways-----                                                        | 20,000,000  |
| Reforestation, water, and wildlife conservation, State parks, fire control----- | 19,000,000  |

Total----- 50,500,000

Man-hours are estimated as:

|                            |           |
|----------------------------|-----------|
| Highway and roads-----     | 3,000,000 |
| Conservation projects----- | 6,000,000 |

Total----- 9,000,000

The Governor is in agreement that the suggested authorization would be very inadequate, particularly, if such funds are allocated to the States on the usual pro rata basis.

Sincerely yours,

RALPH R. WILLIAMS,  
Director of Industrial Relations.

STATE OF WEST VIRGINIA,  
Charleston, May 3, 1962.

HON. ERNEST GRUENING,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR GRUENING: This will acknowledge receipt of your telegram of April 18, 1962, concerning proposed public works projects in West Virginia.

I would first like to inform you of the situation with regard to public works projects in West Virginia and to give you some information relative to specific projects which could be accomplished under the proposed program.

At the present time, the State of West Virginia has a public works program based on the aid to dependent children of the unemployed program. We have elected to participate in this program with a stipulation that each recipient who receives assistance will work for that assistance. As of March 30, 12,600 men were employed under this program. As you know, this program is financed by both the Federal and State Governments on a matching basis, the State paying 30 percent of the cost and the Federal Government paying 70 percent.

One shortcoming of this program is that only individuals who are married with dependent children qualify. No employment is made available under this program for individuals who are not married or individuals who are married and have no children or whose children are grown.

Three million dollars in State funds have been appropriated for the coming fiscal year for emergency employment. I may, as chief executive, use these funds to match any Federal funds which may become available for the relief of unemployment. This, of course, means that should the aid to dependent children of the unemployed program be continued at the Federal level, these funds may be used for participation in that program.

It is my understanding that the public works plan proposed by President Kennedy will make Federal money available to various State and local governmental units on a 50-50 matching basis. I would like to strongly urge that consideration be given to a more favorable matching ratio in favor of State and local governments.



A program with a 90-percent Federal, 10-percent State matching ratio would provide employment for approximately 7,000 to 12,000 persons. As only \$3 million are available in State funds for matching purposes, a 50-50 matching ratio would only provide employment for 1,500 to 2,400 persons. These figures assume expenditures for material and equipment of 20 to 50 percent.

Enclosed you will find proposed projects from our State departments of natural resources and from our State road commission. I would like to emphasize that these projects are only a sample of those projects which can be undertaken and completed within 27 months under this program and which would qualify under the rules and regulations of such program. It is anticipated that many projects at the community level, both county and municipal, would be submitted for accomplishment.

Again let me express my desire that Federal money be made available at less cost to the States.

I sincerely hope that this information meets your needs and that you will give every consideration possible to the suggestions which I have outlined. If I may assist you in any way or provide any additional information, do not hesitate to contact me at any time.

Yours truly,

W. W. BARRON,  
Governor.

STATE OF HAWAII,  
Honolulu, May 2, 1962.

The Honorable ERNEST GRUENING,  
Senator from Alaska,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR GRUENING: This is in reply to your recent cablegram wherein you requested information on public works projects which could be completed during the next 27 months in our economically distressed area (Hawaii County). The attached tabulation gives information on gross construction costs by major types of functions and the estimated number of man-hours needed to complete the projects. These represent projects which are currently authorized or those for which authorization begins on July 1, 1962, for the new fiscal year. It is estimated that all of these will be completed during the 27-month time period you cited.

I have not seen a copy of the proposed emergency public works bill. Hence, it is not possible to say if all projects included in this tabulation would be eligible for financial assistance. As you know, highways and airports now receive Federal grants. Perhaps these projects would not be eligible for further aid. It would also be of value to know if such financial assistance would be in the form of interest-free loans or grants. The mechanics of the proposed bill may affect an area's willingness to participate in the program.

Hawaii's public works program for the coming fiscal year is the largest in our history. Part of the reason for this scale of State public works is to stabilize our employment situation. However, all of us recognize that public works construction alone will not solve our Nation's unemployment problem. Increased public works construction is only one tool of many that must be utilized to spur the growth of our economy. The Area Redevelopment Act and the program of retraining unemployed persons are examples of other actions that will help. Some areas will continue to suffer chronic unemployment until new economic activities are introduced. The private sector of the Nation's economy must maintain a vigorous growth if public efforts to solve unemployment are to be successful. Thus, any public works program should be accompanied by vigorous efforts to encourage and

promote increased employment through new permanent job opportunities.

I hope this provides you with the information you need. However, if I can be of further assistance, please let me know.

Sincerely,

WILLIAM F. QUINN,  
Governor of Hawaii.

*Authorized State public works located in economically distressed areas of the State of Hawaii (Hawaii County only)*

|                                                                                                                 |              |
|-----------------------------------------------------------------------------------------------------------------|--------------|
| I. Public works division (miscellaneous public buildings and the State's share of a sewage treatment plant):    |              |
| (a) Estimated construction costs-----                                                                           | \$1,351,412  |
| (b) Estimated man-hours of work-----                                                                            | 122,184      |
| II. Airports division:                                                                                          |              |
| (a) Estimated construction costs-----                                                                           | \$3,500,000  |
| (b) Estimated man-hours of work-----                                                                            | 320,000      |
| III. Harbors division:                                                                                          |              |
| (a) Estimated construction costs-----                                                                           | \$3,855,000  |
| (b) Estimated man-hours of work-----                                                                            | 617,000      |
| IV. Highways division:                                                                                          |              |
| (a) Estimated construction costs-----                                                                           | \$14,427,500 |
| (b) Estimated man-hours of work-----                                                                            | 1,978,000    |
| V. Land and natural resources department (land development, parks, water development, forestry, fish and game): |              |
| (a) Estimated construction costs-----                                                                           | \$978,000    |
| (b) Estimated man-hours of work-----                                                                            | 136,500      |
| Total estimated construction costs-----                                                                         | \$24,111,912 |
| Total estimated man-hours of work-----                                                                          | 3,173,684    |

EXHIBIT IV

PRESS CONFERENCE OF HON. WILLIAM L. BATT, JR., ADMINISTRATOR, AREA REDEVELOPMENT ADMINISTRATION

MR. BATT. Now in terms of numbers the area redevelopment areas comprise about 1,000 counties in the United States, and in terms of numbers again the blue areas or the areas that are in only for public works comprise only 100. But these are much bigger cities, by and large. There are about the same number in the blue areas as there are in all the red areas.

The arithmetic works out a little something like this—let me see if I can recall it. In the areas taken together, these red areas and the blue areas, we have about a third of the country's population, about a third of the country's labor force, and over half of the country's unemployment. They are, of course, the areas of longtime labor surplus, the ones we work with, the coal towns, the textile towns, the iron towns, the Great Lakes, the lumber towns, Pacific Northwest, Indian reservations in the Southwest, and the cotton textile towns in the Southeast. You know the economics of them.

Now over 2,900 projects representing \$361 million of Federal funds and an estimated \$125 million more of State and local funds—because you remember the communities have got to match this 50-50—\$361 million of Federal funds and an estimated \$125 million more of State and local funds are in various stages. Some are actually underway, some are being planned, some are just in the process of approval.

Approximately 580,000 man-months of direct employment will be generated by all these projects with the same number of

man-months of additional employment based on the normal ratio of direct to indirect labor on public works projects.

Now of the total, Federal agencies are using \$110 million of this total \$361 million for direct Federal projects for such purposes as conservation work in our national forests and wildlife ranges, medical and sanitary facilities on Indian reservations, modernization and extension of small post offices, and other authorized public works.

That is about 30 percent of the funds that have been allocated to Federal agencies who do their own construction substantially. That, of course, is 100 percent Federal.

The agencies we are talking about are the Forest Service, the Agriculture Department, the Bureau of Indian Affairs of Interior, several others in Interior; Bureau of Reclamation, Corps of Engineers.

The largest, Paul, are Interior and Agriculture?

MR. SOUTHWICK. Yes.

MR. BATT. Now the larger share, the 70-percent share, \$251 million, has been earmarked for State and local projects. You see, the Congress said to give priority to the stuff that comes out of the communities, and this has been committed for water-workers and water pollution control, for sewers, streets, hospitals, libraries, for police and fire stations, for public buildings, and many other types of needed community facilities for which communities put up matching funds.

About 50 percent of all the applications to CFA over here, Community Facilities Administration, are for sewer and water lines. I personally never realized how many communities didn't have any sewer lines or any water lines.

The response from local governments has been gratifyingly quick, demonstrating the strong desire of local communities to alleviate unemployment, and to get these public works built.

Our latest available figures, at the end of January, disclosed the following applications, expected to meet program standards, are on hand: Over in HHFA, CFA, \$724 million. This is the backlog. This we haven't gotten to yet. HEW—and this is administered by the Public Health Service, waste treatment works \$218 million, and hospitals \$127 million, for a total backlog of \$1,069 million.

And let me say parenthetically—this isn't in the printed statement—they are coming in at the rate of about \$300 million every month.

Is that a fair statement, Paul?

The President is sending to Congress, sent to Congress yesterday a supplemental appropriation of \$500 million to carry on this program. This sum was forecast in the 1964 budget recently transmitted to the Congress, and will exhaust the \$900 million authorized in the accelerated Public Works Act.

It is clear, therefore, that there are already on hand more than enough applications for Federal and local projects to use up the funds authorized by the Congress for this program. Accordingly, the Housing and Home Finance Agency and the Department of Health, Education, and Welfare are suspending the accelerated public works program except for those especially hard-hit areas which have already been allowed matching ratios in excess of 50 percent. This is a relative handful of areas, about 20 percent of the total, where the unemployment is so severe that Congress directed us to provide matching ratios higher than 50 percent, going up to a total of 75 percent.

While applications from all areas will continue to be accepted and dated as to time of receipt, they will receive no further processing unless they are located in the hardest hit areas referred to previously.



*Status of APW projects approved, by type of project, as of Dec. 15, 1962*

[Dollars in thousands]

| State               | Number of projects | Estimated APW cost | Estimated man-months on-site employment |
|---------------------|--------------------|--------------------|-----------------------------------------|
| Alabama.....        | 41                 | \$4,254            | 7,028                                   |
| Alaska.....         | 16                 | 2,699              | 1,928                                   |
| Arizona.....        | 15                 | 2,935              | 4,192                                   |
| Arkansas.....       | 60                 | 1,274              | 2,542                                   |
| California.....     | 62                 | 6,916              | 8,732                                   |
| Colorado.....       | 16                 | 1,630              | 2,362                                   |
| Connecticut.....    | 19                 | 1,602              | 2,412                                   |
| Delaware.....       | 2                  | 93                 | 223                                     |
| Florida.....        | 25                 | 3,099              | 5,407                                   |
| Georgia.....        | 36                 | 4,012              | 4,981                                   |
| Hawaii.....         | 1                  | 134                | 1,752                                   |
| Idaho.....          | 37                 | 2,367              | 2,645                                   |
| Illinois.....       | 49                 | 3,234              | 5,331                                   |
| Indiana.....        | 25                 | 1,758              | 3,413                                   |
| Kansas.....         | 3                  | 115                | 193                                     |
| Kentucky.....       | 61                 | 4,629              | 8,486                                   |
| Louisiana.....      | 29                 | 6,126              | 14,055                                  |
| Maine.....          | 1                  | 360                | 432                                     |
| Maryland.....       | 3                  | 158                | 583                                     |
| Massachusetts.....  | 15                 | 4,036              | 5,946                                   |
| Michigan.....       | 111                | 15,814             | 20,952                                  |
| Minnesota.....      | 41                 | 4,196              | 6,230                                   |
| Mississippi.....    | 27                 | 2,302              | 5,611                                   |
| Missouri.....       | 65                 | 4,254              | 4,784                                   |
| Montana.....        | 31                 | 1,616              | 2,573                                   |
| Nebraska.....       | 5                  | 596                | 827                                     |
| Nevada.....         | 2                  | 200                | 276                                     |
| New Hampshire.....  | 1                  | 420                | 528                                     |
| New Jersey.....     | 20                 | 8,632              | 13,869                                  |
| New Mexico.....     | 57                 | 3,347              | 4,256                                   |
| New York.....       | 28                 | 6,284              | 7,130                                   |
| North Carolina..... | 46                 | 3,032              | 5,370                                   |
| North Dakota.....   | 2                  | 275                | 528                                     |
| Ohio.....           | 32                 | 6,097              | 8,816                                   |
| Oklahoma.....       | 23                 | 3,430              | 7,944                                   |
| Oregon.....         | 36                 | 3,357              | 4,220                                   |
| Pennsylvania.....   | 80                 | 15,829             | 20,757                                  |
| Rhode Island.....   | 6                  | 2,786              | 2,196                                   |
| South Carolina..... | 20                 | 1,400              | 1,524                                   |
| South Dakota.....   | 3                  | 650                | 1,104                                   |
| Tennessee.....      | 32                 | 5,538              | 14,112                                  |
| Texas.....          | 27                 | 2,627              | 4,808                                   |
| Utah.....           | 34                 | 1,211              | 1,746                                   |
| Vermont.....        | 1                  | 366                | 878                                     |
| Virginia.....       | 11                 | 100                | 209                                     |
| Washington.....     | 46                 | 4,144              | 3,281                                   |
| West Virginia.....  | 56                 | 6,017              | 5,365                                   |
| Wisconsin.....      | 37                 | 1,110              | 2,812                                   |
| Wyoming.....        | 8                  | 384                | 382                                     |
| Puerto Rico.....    | 10                 | 721                | 607                                     |
| Grand total.....    | 1,416              | 158,166            | 236,338                                 |

*Status of APW projects approved, by agency and bureau, as of Dec. 15, 1962*

[Dollars in thousands]

| Agency and bureau                                                         | Number of projects | Estimated APW cost | Estimated man-months on-site employment |
|---------------------------------------------------------------------------|--------------------|--------------------|-----------------------------------------|
| Agriculture: Forest Service.....                                          | 741                | \$14,961           | 21,192                                  |
| Army: Corps of Engineers.....                                             | 55                 | 9,392              | 10,304                                  |
| Commerce: Bureau of Public Roads.....                                     | 34                 | 8,141              | 5,436                                   |
| Health, Education, and Welfare: Public Health Service.....                | 181                | 40,004             | 56,951                                  |
| Housing and Home Finance Agency: Community Facilities Administration..... | 352                | 72,969             | 118,383                                 |
| Interior:                                                                 |                    |                    |                                         |
| Bureau of Land Management.....                                            | 11                 | 1,972              | 2,784                                   |
| Bureau of Indian Affairs.....                                             | 19                 | 5,701              | 9,984                                   |
| National Park Service.....                                                | 10                 | 1,736              | 5,310                                   |
| Commercial Fisheries.....                                                 | 1                  | 380                | 540                                     |
| Sport Fisheries and Wildlife.....                                         | 12                 | 2,910              | 5,454                                   |
| Total, Interior.....                                                      | 53                 | 12,699             | 24,072                                  |
| Grand total.....                                                          | 1,416              | 158,166            | 236,338                                 |

*Status of APW projects approved, by type of area, as of Dec. 15, 1962*

[Dollars in thousands]

| Area             | Number of projects | Estimated APW cost | Estimated man-months on-site employment |
|------------------|--------------------|--------------------|-----------------------------------------|
| 5(a).....        | 340                | \$51,088           | 67,599                                  |
| 5(b).....        | 809                | 49,771             | 76,607                                  |
| 5(br).....       | 20                 | 5,310              | 9,296                                   |
| LS.....          | 247                | 51,997             | 82,836                                  |
| Grand total..... | 1,416              | 158,166            | 236,338                                 |

*Status of APW projects approved by States as of Dec. 15, 1962*

[Dollars in thousands]

| Type                                                  | Number of projects | Estimated APW cost | Estimated man-months on-site employment |
|-------------------------------------------------------|--------------------|--------------------|-----------------------------------------|
| Construction and improvements:                        |                    |                    |                                         |
| Hospital and health facilities.....                   | 72                 | \$21,639           | 31,598                                  |
| Administrative building.....                          | 47                 | 12,627             | 19,774                                  |
| All other buildings.....                              | 44                 | 5,340              | 6,914                                   |
| Road and streets.....                                 | 261                | 20,965             | 24,171                                  |
| Airports.....                                         | 5                  | 1,374              | 2,448                                   |
| Water, sewage facilities and other utilities.....     | 192                | 41,651             | 70,416                                  |
| Waste treatment works.....                            | 113                | 19,503             | 27,662                                  |
| Recreational facilities.....                          | 50                 | 9,337              | 15,667                                  |
| Water resources projects.....                         | 15                 | 3,355              | 3,626                                   |
| Fish and wildlife facilities.....                     | 9                  | 2,180              | 4,662                                   |
| All other construction.....                           | 234                | 7,766              | 9,010                                   |
| Repairs: All types of repairs.....                    | 170                | 7,100              | 9,809                                   |
| Conservation measures: All types of conservation..... | 204                | 5,329              | 10,681                                  |
| Grand total.....                                      | 1,416              | 158,166            | 236,338                                 |

EXHIBIT 1

[From New Republic, Feb. 8, 1964]

THE WAR ON POVERTY

(By Gunnar Myrdal)

Having to live with large pockets of poverty stricken people in their midst is not a new experience in the American Nation. Right from slavery the masses of Negroes formed such pockets, both in the rural South and in the cities South and North. Such pockets were also formed by other colored people who immigrated to work as laborers from Asia, Mexico, and Puerto Rico. Most American Indians in their reservations were also poor and isolated as they are today. There were also, as there are still, pockets of "poor whites," ordinarily of old American stock, who lived by themselves in abject poverty and cultural isolation.

I believe it is important to have in our minds this broad picture of the historical reality of American poverty as a background to the discussion of the problems facing us today. The regular, prosperous Americans have become accustomed to living with unassimilated groups of people in their midst, about whom they know in a distant and general way that they are very poor. The fact that in earlier times they themselves lived under the risk of being thrown out of work and losing their livelihood, if only temporarily, made it easier for them to feel unconcerned about the people who more permanently were enclosed in the pockets of poverty. Otherwise, the existence of all this poverty in the midst of progressive America stood out in blunt contradiction to the inherited and cherished American ideals of liberty and equal opportunity, as these ideals increasingly had been interpreted, particularly since Franklin D. Roosevelt and the New Deal.

Automation and other changes are all the time decreasing the demand for unskilled and uneducated labor. Standards are rising fast even in household and other menial work. Something like a caste line is drawn between the people in the urban and rural slums, and the majority of Americans who live in a virtual full-employment economy, even while the unemployment rate is rising and the growth rate of the economy is low. Except for a lower fringe, they experience a hitherto unknown security, for it is a tacit understanding in America, as in the rest of the Western World, that a recession will never again be permitted to develop into anything like the great depression. But there is an underclass of people in the poverty pockets who live an ever more precarious life and are increasingly excluded from any jobs worth having, or who do not find any jobs at all.

I want to stress one important political fact. This underclass has been, and is largely still, what I have been accustomed to call the world's least revolutionary proletariat. They do not organize themselves to press for their interests. The trade union movement comprises only about one-fourth of the workers, mostly its upper strata who in the main belong to the prosperous majority. To a relatively higher extent than normally they do not register and vote at elections—even apart from the large masses of Negroes in the South who are prevented from doing so.

In very recent times we have seen one important break of this empirical rule of the political apathy of the poor in America. I am, of course, referring to the rebellion of the Negroes in southern and northern cities. Without any doubt, this is a true mass movement—so much so that the Negro leaders in the upper and middle class have had to run very fast to remain in the lead, as have, on the other side of the fence, the administration and other whites responsible for American policy.

I am not at this time going into the question of how this movement, so exceptional to what has been the pattern of passivity on the part of the poor in America, has come about. But I should mention two things about which I am pretty sure. One is my belief that the outbreak of this rebellion just now is not unconnected with the high and, as a trend, rising rate of unemployment, which, as always, runs much higher—about double—for Negro workers than for whites. Another thing of which I am convinced is that this movement will not abate unless very substantial reforms are rapidly undertaken to improve the status in American society of its Negro citizens. I am optimistic enough to forecast that in the next 10 years the Negroes will get legal rights equal to the white majority, and that these will be enforced. What will still be needed are, in particular, social sanctions to defend the Negroes' equal opportunities to employment, against the resistance of trade unions more than employers and the business world, particularly big business. And even when all this is accomplished, the Negro masses will nevertheless continue to suffer all the lasting effects of the disabilities and disadvantages of their poverty, their slum existence and their previous exclusion from easy access to education and training for good jobs.

Indeed, it is easy to understand why some of the Negro leaders, and some white liberals, are now raising the demand for a new Marshall plan to make good the effects of the maltreatment in America of the Negroes from slavery and up till this day. Nevertheless, I am convinced that this demand for a discrimination in reverse, i.e., to the advantage of the Negroes, is misdirected. Nothing would with more certainty create hatred for



Negroes among other poor groups in America, who have mostly been their bitterest enemies as they have been the only ones who have felt them as competitors. Moreover, special welfare policies for Negroes are not very practical. Negro housing cannot very well be improved except as part of a plan to improve the housing situation for poor people in general. The same is true of education. Special welfare policies in favor of the Negroes would strengthen their exclusion from the main stream of American life, while what the Negroes want is to have equal opportunities.

What America needs is a Marshall plan to eradicate poverty in the Nation. This is a moral imperative. The unemployed, the underemployed and the now unemployables are also America's biggest wastage of economic resources. The poor represent a suppressed demand which needs to be released to support a steady rapid growth of American production. The goals of social justice and economic progress thus are compatible. A rapid steady economic growth is impossible without mobilizing the productive power of the poor and clothing their unfilled needs with effective demand. The existence of mass poverty in the midst of plenty is a heavy drag on the entire economy.

The statistics on unemployment in America do not tell the whole story. Besides the 4 million unemployed there are the workers who are only part-time employed, those who have given up seeking work, and all the underemployed. It is an ominous fact that even the prolonged upturn in production from 1961 and onward has not implied a substantial decrease in the rate of unemployment. Nobody seems to expect that the continuation of the present boom will bring down unemployment to a level that could be considered even to approach full employment. And nobody assumes that there will not be a new recession, if not this year then the next. It is reasonable to expect that the unemployment rate will then reach a new high point. There are definite signs that the trend is rising.

For this there are explanations. I believe it is important to stress that none of the specific explanations put forward makes a rising trend of unemployment inevitable, or could by itself prevent the attainment of full employment. Only in conjunction with each other do these influences have the present disastrous result. If in the sixties exceptionally many young workers enter the labor market, this should not necessarily mean more unemployment. Production could expand rapidly enough to absorb them, and all the new workers could have been properly educated and trained so that they fitted the demand for labor as it has been changing. Long ago, Prof. Alvin Hansen and other economists, including myself, used to think that in rich countries, where capital is plentiful, a rapid population increase would rather act as a spur to expansion. It would stimulate the demand for new housing and all the goods and services accessory to housing, and for new schools, teachers, and productive capacity.

Likewise, automation should not by itself lead to unemployment if output expanded enough and the labor force were adjusted to fit the change in demand, caused by automation itself among other things. There are countries with full employment that have an equally rapid pace of automation. There, automation is viewed as driven forward by the scarcity of labor and as resulting in higher productivity of labor, higher earnings and a rising consumers' demand for products and services: in America, as a cause of unemployment.

#### OUR CHANGING SOCIETY

What type of society are we moving toward in the modern rich countries? A continually smaller part of our total labor force will be needed in agriculture, manufacturing indus-

try, heavy transport, distribution of commodities, banking and insurance. If we could countervail Parkinson's law, which for various reasons is working with particular force in America, even many sectors of public service would demand less labor.

It is the serious lag in adjusting the education and training of our labor force to the needs of this new society which is the general cause of the situation where we have serious overemployment in some sectors of our economy, at the same time as there is an uncomfortably large and growing residue of structural unemployment and underemployment that cannot be eradicated by an expansion of our production that is feasible.

Against this background it is easy to establish the broad lines of the policies that we will have to apply in order to cure our economic ailments. Huge efforts will have to go into education and vocational training, not only on the higher levels but on the level of grade schools and high schools. Particularly will we have to lift the level of elementary education for the poor people in the urban and rural slums, who are not now getting an education that fits them to the labor market. We must at the same time undertake the retraining of the older workers who are continuously thrown out of jobs without having the abilities to find new ones in our changing society.

I see it as almost a fortunate thing that America has such vast slums in the big cities and smaller ones in the small cities; so many dwellings for poor people that are substandard; so many streets that need to be kept cleaner; such crying needs for improved transport. To train unskilled workers to do such jobs should be easier than to make them teachers or nurses.

#### INCREASED PUBLIC SPENDING

It should be stressed, however, that a primary condition for success is rapid and steady economic expansion of the national income. Without an increased demand for labor, no efforts for training and retraining workers on a mass scale can succeed. This is the important argument for the view that expanding the economy is the essential thing. Expansion is, in a sense, the necessary condition for any effort to readjust the supply of different types of labor to demand.

A common characteristic of all the reforms directed at raising the quality of the labor force and eradicating poverty in the midst of plenty is that the increased expenditure will be public expenditure. Even when poverty is gone, when there is little or no unemployment or underemployment, a relatively much larger part of the Nation's needs will have to be met by collective means. In the future society toward which we are moving, where our productive efforts will increasingly have to be devoted to the care of human beings, health, education, research and culture, and to making our local communities more effective instruments for living and working, public spending will be an ever larger part of total spending. This is because it is not very practical and economical, and in most cases not even possible, to rely on private enterprise for filling these types of demands.

This brings up the problem of balancing or not balancing the Federal budget. Large sections of the public and Congress hold, on this question, an opinion that has no support in economic theory and is not commonly held in other advanced countries: that, in principle, expenditures of the Federal budget should be balanced by taxation.

A recent experience from my own country, Sweden, must seem curiously upside down to Americans. In a situation of threatening overfull employment and inflationary pressure, the Swedish social democratic government, which has been in power almost a third of a century, felt that it needed to put on brakes, and decided to raise taxation to a level where, for a while, we actually had a

balanced budget in the American sense. The political parties to the right of the party in power criticized the Government fiercely for overtaxing the citizens, and insinuated that this was a design to move our economy in a socialistic direction, by robbing the citizens and private business of the funds they needed. So differently can the problem of balancing the budget appear in two otherwise very similar countries. In fact, you have examples nearer at hand. When the railroads were built in America, the Federal Government favored the railroad companies in various ways, which occasionally broke the rule of balancing the budget.

The analogy that a nation must handle its purse strings with the same prudence as an individual is false. An individual is not in the position to borrow from himself. Moreover, if the implication is that the government should not borrow even for productive purposes, it is a rule which no private householder follows, or should follow, if he is wise and prudent. And we know that there has been a huge increase, both absolutely and relatively, of private borrowing by business as well as by consumers.

This does not mean that Congress should not carefully weigh each dollar that is spent and each dollar that is taken in by taxation or other means. But the weighing should be in terms of progress and welfare for the Nation. I can see no virtue in America having decreased its national debt in postwar years to half its size compared with the national income, while abstaining from undertaking a great number of public expenditures that would have been highly productive from a national point of view. America has been satisfied for a whole decade with a rate of growth of only a little more than 1 percent per head, and with unemployment rising to the present high level. In the interest of public enlightenment, I would wish my American colleagues to spend a little more of their time disseminating some simple truths about budget balancing and related issues. America cannot afford to remain the rich country that has the highest rate of unemployment, and the worst and biggest slums, and which is least generous in giving economic security to its old people, its children, its sick people, and its invalids.

#### THE PRINCIPLE OF PROTECTING EXISTING WATER USES AGAINST HAZARDS RAISED BY PROPOSED NEW PROJECTS

Mr. KUCHEL. Mr. President, I have heretofore spoken in the Senate, principally as reflected in my comments beginning at page 8824 of the CONGRESSIONAL RECORD for April 25, 1964, on the need to maintain inviolate the historic rule of law that he who first puts water to beneficial use is protected in that use against those who attempt later diversions of water from the same river source. That principle, which has served the cause of constructive progress, particularly in the West, is now in jeopardy. Congress is being asked to turn its back on this principle.

The central Arizona project legislation, to be considered in executive session of the Subcommittee on Reclamation of the Committee on Interior and Insular Affairs next Monday, presents the issue squarely.

Some would have Congress endanger existing projects for the benefit of the proposed one. Most reasonable people would, I think, prefer that Congress build the new one without destruction of the existing projects.



I am asking that California's existing Colorado River uses be protected to the extent of 4,400,000 acre-feet, rather than the 5,100,000 acre-feet we have been using for many, many years. That 700,000 acre-feet reduction has been ordained by nature and existing law. I object to any further reduction.

Arizona representatives, and some others, have now come forward with a proposal that California's uses to the extent of 4,400,000 acre-feet per year be protected for 25 years, but not beyond, as I have insisted. I studied this suggestion in good faith. I studied the facts presented at our recent hearings. My conclusion is that such a cutoff as is proposed is completely unacceptable not merely because of the ominous danger it possesses to California. It is unacceptable because it continues the possibility of further litigation between the two States of Arizona and California. But, most important, this proposal would constitute a violation of the principle at stake. Such a breach is not in the interest of anyone. "Ask not for whom the bell tolls—it tolls for thee."

The same sentiments were recently very cogently given by the highest legal officer of my State, the Honorable Stanley Mosk, Attorney General of California. I ask that the text of his address recently delivered at Town Hall in Los Angeles, be printed in the RECORD at the conclusion of my remarks.

Californians are not the only ones to see it as I do. Even the present Colorado River water users in Arizona agree—almost. The same is true of the Arizona Legislature, which not only spoke in limiting a 1961 appropriation, to which I referred in my April 25 remarks at page 8830 of the RECORD, but which also spoke more recently and even more forcefully in a 1962 statute also approved by their Governor.

I ask that there also be printed, at the conclusion of my remarks, certain correspondence and resolutions directed to our Reclamation Subcommittee by the Arizona Colorado River water users and, also, the text of the Arizona statute to which those Arizonans and I refer.

You will note that, while the principle is acknowledged and endorsed, the Arizona water users and the Arizona statute do not extend the principle to the protection of Californians—only Arizonans. I cannot understand this. I take the position that Americans on both sides of the river are entitled to equal treatment. I seek protection for existing projects in Arizona and Nevada as well as in California.

Yesterday the distinguished junior Senator from Utah [Mr. Moss] submitted an amendment intended to be proposed by him to a bill, S. 1658, earlier introduced by the two distinguished Senators from Arizona [Mr. HAYDEN and Mr. GOLDWATER] to authorize the construction of the billion-dollar central Arizona project on the Colorado River, a project which would make a new demand on a dwindling water supply.

I have earlier offered an amendment to the bill of the distinguished Senators from Arizona, asking that they recognize the prior use of Colorado River waters

in my State to the extent of 4,400,000 acre-feet; in other words, to recognize, to that extent, a prior right of a historic continuing use of water in the river. They have so far declined to do so, except now they have apparently agreed to a limited extent.

Every witness who testified before our subcommittee, at its hearings over the past several months, said that there would be no complete hazard to the people of southern California until some 25 years from now with the central Arizona project in operation. So you can see that it is no "compromise" for the people of Arizona and their representatives in Congress to now accept my amendment to the extent of only 25 years.

That is like selling a man a fire insurance policy on his house with a clause providing that when the house is built, the insurance policy shall lapse. How would my fellow American citizens who live in Arizona deal with the same problem? It is rather interesting.

I have before me a copy of a resolution of the Yuma County Irrigation Districts and Water Users Presidents Association, which points to the action of the Arizona Legislature in providing funds for a study of the central Arizona project, with the Arizonans then urging its approval by Congress. The legislature limited the investigation and studies to "only that quantity of water—from the Colorado River—which may be available for use in Arizona after the satisfaction of all existing water delivery contracts between the Secretary of the Interior and users in Arizona for the delivery of main stream water."

The same principle is applied in the 1962 statute specifying the powers of the Arizona Interstate Stream Commission.

That means that the legislature of Arizona, representing the people, and asking Congress to authorize the central Arizona project, recognizes that the uses of Colorado River water now in existence in Arizona should be protected and be senior to any of the new uses from the proposed central Arizona project.

Mr. President, that is all I am asking for the people of my State. I have a right to ask that equal treatment be afforded the people of California and the people of Arizona.

The amendment offered by the junior Senator from Utah [Mr. Moss] appears to be in the nature of a substitute bill. It recognizes the validity of protecting existing uses, but only to a degree. It would protect only those in California, not also in Arizona and Nevada as I would do. It is further deficient in that the protection given California's 4,400,000 acre-feet per year is only for a 25-year period.

But I hasten to point out that the principle for which I have been arguing has now been recognized in regard to the central Arizona project. Now, I ask, "If that principle is a good thing for 25 years, why is it not a good thing indefinitely?" I ask that Mr. Moss' amendment also be printed in the RECORD at the conclusion of my remarks.

I hope that my colleagues on the Reclamation Subcommittee, indeed, all Sen-

ators, will study these materials. I think they will agree with me that the vital, time-proven, beneficent principle for which I argue should be confirmed—not just temporarily and not just for some people but unequivocally and for all Americans.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

STATE OF CALIFORNIA,  
OFFICE OF THE ATTORNEY GENERAL,  
Los Angeles, July 16, 1964.  
To the Senators and Representatives of California in the U.S. Congress:

I am taking the liberty of sending you the attached copy of a talk which I made on July 7, 1964, at Town Hall, Los Angeles, concerning legislation before the Congress with respect to California's Colorado River water rights and the various regional plans which are under consideration. Each such plan differs from the others in a number of significant respects. I have endeavored to resist assuming the role of engineer or economist in public discussions of the merits of these plans. However, as indicated in the speech, I feel strongly that regional planning cannot succeed unless based on the recognition of the priority of existing projects over water rights of future projects.

The announced amendment to be offered by Senator FRANK E. MOSS to S. 1658, which would guarantee California's existing projects 4.4 million acre-feet from the Colorado River for a period limited to 25 years, is not an adequate recognition of that principle.

The State of California defended the priority principle for 11 years in the U.S. Supreme Court. The Court referred that issue, without deciding it, to the Secretary of the Interior or to Congress. It is my strongly held view, not only as a Californian but as a citizen of the United States concerned with water resource development, that regional water resource planning must recognize as among the States the principle which 100 years of western experience has established within each of the Western States.

Sincerely,

STANLEY MOSK,  
Attorney General.

#### CALIFORNIA'S WATER CRISIS—A TIME FOR DECISION

(Address by Attorney General Stanley Mosk, Town Hall, Los Angeles, July 7, 1964)

I hesitated for a long time to use the word "crisis" in the caption to this talk. "Crisis" is a scare word. Used with the word "water," it suggests a time of trouble when the reservoir has run dry, when there is nothing but sand or salt water in the bottom of the well, when crops wither and orchards die, when the desert reclaims its own.

That kind of tragedy has happened in parts of the United States. Even the fear that it may happen can blight a community's future. Therefore, I say emphatically that we do not now have anything like that kind of crisis; we shall not have that kind of crisis. We shall make the decisions and we shall pay the price—whatever price is necessary—to maintain our civilization.

Nevertheless, California's crisis—California's time for decision—is now. We cannot wait until the reservoir runs dry. We must use the time we have, wisely and resolutely.

The lesson for today is written in California history. In 1905, the people of Los Angeles voted their decision to go to the Owens Valley for water. Not until 8 years later did Owens Valley water first arrive. In 1923, William Mulholland made the first surveys for the Colorado River Aqueduct. The first Colorado River water flowed through that great aqueduct in 1941—18 years later. The Feather River project will bring water south of the Tehachapi Mountains about



"(3) Recommend long-range schedules of priorities for the collection and analysis of basic data and for investigation, planning, and construction of projects.

"(4) Recommend to the appropriate Federal and State agencies studies of water resources and related land resources in the region as the Commission believes are necessary in the preparation of the plans described in clause (1) of this subsection.

"(d) In carrying out the provisions of this Act, the Commission may—

"(1) Employ and compensate such personnel as it deems advisable.

"(2) Use the United States mails in the same manner and upon the same conditions as departments and agencies of the United States.

"(3) Acquire, furnish, and equip such office space as is necessary.

"(4) Accept for any of its purposes and functions appropriations, donations, and grants of money, equipment supplies, materials, facilities and services, and receive, utilize, and dispose of the same.

"(5) Incur such necessary expenses and exercise such other powers as are consistent with and reasonably required to perform its functions under this section.

"(e) The Commission shall determine the proportionate shares of its expenses which shall be borne by the Federal Government and each of the States. The Commission shall prepare a budget annually and transmit it to the Federal departments and the States. Estimates of proposed appropriations from the Federal Government shall be included in the budget estimates submitted by the Secretary of the Interior under the Budgeting and Accounting Act of 1921, as amended, and may include an amount for advance to the Commission against State appropriations for which delay is anticipated by reason of later legislative sessions.

"Sec. 10. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this Act.

"Amend the title so as to read: 'A bill to authorize the construction, operation, and maintenance of the Lower Colorado River Basin project, and for other purposes.'

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### APPROVAL OF MILITARY PAY BILL URGED

Mr. BEALL. Mr. President, recently, the Senate enacted a pay increase for Federal employees. I feel that it is not only proper but also imperative that our attention now focus on increasing the salaries of those who are maintaining freedom's eternal vigilance and preserving the uneasy peace existing in today's world.

History has demonstrated that when peace prevails citizens forget too quickly the sacrifices made by our military when our Republic was challenged.

Let me say that I am not going to be guilty of such shortsightedness. Though we live in an era of modern warfare, I believe that—

Neither missiles ready for launching,  
Nor Sac bombers constant alert  
Nay, not Polaris subs worldwide  
(As vital as they are)  
Are themselves sufficient  
For it was, is, and always will be  
The will and desire of the fighting man  
That is decisive when victory or defeat hangs  
in balance.

Yes; even in today's atomic, automated age, the soldier remains important. In fact, there has never been a period of history when the caliber of our servicemen was so important. Our complex modern warfare demands trained personnel. Yet, our servicemen see their civilian neighbors compensated at much higher rates for comparable duties. In too many cases the lucrative pay of civilian profession lures competent and needed men from the services. This is both expensive to the taxpayers and detrimental to our overall defense posture. We must adopt policies designed to encourage servicemen to stay in the service. This necessitates both better pay and better living conditions for our military. I urge approval of the military pay bill.

#### IMPLEMENTATION OF PUBLIC LAW 88-379, THE ANDERSON WATER RESOURCES RESEARCH ACT

Mr. MCGOVERN. Mr. President, on Monday, July 21, the Senate received from the President of the United States notice that he has approved and signed S. 2, the Water Resources Research Act of 1964, known to us as the Anderson Act.

Secretary of the Interior Udall has today announced the establishment of an Office of Water Resources Research, and the appointment of Dr. John C. Calhoun, Jr., as the Acting Director of the new office. The Associate Director is Mr. E. D. Eaton, formerly a member of the professional staff of the Senate Interior Committee.

The 88th Congress is making an outstanding record in the resources and conservation field. The enactment of S. 2, which will stimulate, in universities throughout the Nation, research into water problems and the training of much-needed hydroscintists, will, in the judgment of many leaders in the resources fields, prove ultimately to rival in importance the Hatch Act of 1877, which established our agricultural experiment stations.

I am especially pleased, Mr. President, that in his statement upon approval of the S. 2, President Lyndon Johnson gave recognition to our colleague, Senator CLINTON P. ANDERSON, of New Mexico, the author of the bill, who in recent years has provided leadership in many fields of resources legislation. It has been my privilege to cosponsor a number of the bills he has, and is, helping us write into law.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the statement made by the President of the United States, upon signing S. 2; and the announcement of Secretary of Interior Udall, issued today, on the implementation of the bill, which is now Public Law 88-379.

There being no objection, the statement and the announcement were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT, JULY 17, 1964

The Water Resources Research Act of 1964, which I have approved today, fills a vital need.

Abundant good water is essential to continued economic growth and progress. The Congress has found that we have entered a period in which acute water shortages are hampering our industries, our agriculture, our recreation, and our individual health and happiness.

Assuming a continuation of current practices, by the year 2000 there will not be enough usable water to meet the water requirements of parts of the States of Arizona, California, Colorado, Delaware, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Utah, Wisconsin, and Wyoming.

This legislation will help us solve this problem. It will create local centers of water research. It will enlist the intellectual power of universities and research institutes in a nationwide effort to conserve and utilize our water resources for the common benefit. The new centers will be concerned with municipal and regional, as well as with national water problems. Their ready accessibility to State and local officials will permit each problem to be attacked on an individual basis, the only way in which the complex characteristics of each water deficiency can be resolved. The bill contemplates a high degree of interstate cooperation, and I urge that this be encouraged.

In large measure, this legislation is a tribute to the vision and wisdom of Senator CLINTON P. ANDERSON, of New Mexico. He has long recognized the problems. He developed the program. He guided it through Congress. He has been in the forefront of the effort to see that adequate supplies of water are available in all parts of the Nation.

One provision of the bill, however, causes me serious concern, and I request its deletion. The Secretary of the Interior, in administering the program is required, in effect, to obtain the approval of the committees of the House and Senate for each water research grant or contract. Although this legislation is so phrased that it is not technically subject to constitutional objection, it violates the spirit of the constitutional requirement of separation of power between the executive and legislative branches. It is both inappropriate and inefficient for committees of the Congress to participate in the award of individual contracts or grants. Apart from the question of the relationship between the executive and legislative branches, the delays which would ensue from the suggested procedure would be detrimental to both scientific research and the timely achievement of the important mission of the legislation.

[News release from U.S. Department of the Interior, July 21, 1964]

#### OFFICE OF WATER RESOURCES RESEARCH ESTABLISHED

Secretary of the Interior Stewart L. Udall announced today that he has set up an Office of Water Resources Research (OWRR) to administer the new program of grants to universities and research institutions provided by the Water Resources Research Act.

Secretary Udall said he has appointed John C. Calhoun, Jr., to be Acting Director of the new office and E. D. Eaton to be Associate Director.

Dr. Calhoun has been Science Adviser and Assistant to the Secretary since May 1963.



and will continue to hold this post. Mr. Eaton has been a member of the Department's resources program staff since 1961.

Secretary Udall said: "The Water Resources Research Act, signed into law July 17 by President Johnson, will give a great forward push to water conservation and development. It provides for furnishing financial assistance to non-Federal research in discovering new and improved ways of dealing with water problems. This means that the whole Nation will now benefit from the brainpower in universities being applied to critical water problems."

"With our rapid population and economic growth, we must provide for greatly increased water use—about double during the next two decades and much more than that before the end of the century."

"But a good many localities already are running short of water and generally throughout the Nation there is insufficient water of good quality available without substantial treatment for meeting our growing requirements."

"This means," Udall said, "that it is essential to get much more use out of the water than we now do. We must do a better job of conserving water; we must use it more economically and efficiently; we must protect its quality from pollution; we must find more economical means of treating it; and we must store and regulate floods so that they do not rush to sea unused."

"Scientists and engineers in Government agencies do outstanding work on these problems and they will continue to be the backbone of the research effort. But the problems are so many and so large and the urgency is so great that we also have to make full use of the knowledge and ability of non-Federal research workers in universities and elsewhere."

"This is provided for in the Water Resources Research Act of 1964 passed by Congress on July 2, 1964. The act was first sponsored by Senator CLINTON P. ANDERSON, of New Mexico, as S. 2, and it has been widely endorsed by many member of Congress, State officials, professional, scientific, and citizen groups. It is a real milestone in natural resources conservation."

The act authorizes a continuing program of (a) annual grants to aid one State water resources research center in each State, and (b) grants to aid specific water resources research at land-grant universities; also authorized is a smaller 10-year program of grants to aid water research at other universities or research institutions.

In addition to producing new knowledge to be used in solving water problems, Secretary Udall emphasized two other important results:

"One result will be that the State and interstate water research centers will be available to State governments and local communities. This will make them more effective in dealing with local water matters—and water supply and water use are important State and local responsibilities. The State water resources research centers can aid local officials and others because they will be readily accessible to the people of their State, and they can supply information on local conditions and problems. This will greatly strengthen the grassroots participation in water matters."

"A second result will be to produce additional highly trained water scientists and engineers. Many more such people will be needed at all levels of government, in industry, and in other capacities to plan and carry out water conservation and development work. We know that present government and private water resource facilities will have to be enlarged and extended to meet water requirements in the years ahead. Through association with the research work aided by this new program, well-qualified people will be produced at universities

throughout the country. Qualified manpower is one of the main shortages in the water field, and this program will help meet that need."

Rules and regulations governing the grants program will be issued by the Department shortly.

Dr. Calhoun came to the Department from the Texas State University on a leave of absence from his position as vice president for engineering and vice chancellor for development, Texas A. & M. University System. He is a petroleum engineer who has held positions in the industry and on the faculties of Texas State University, Pennsylvania State University, and the University of Oklahoma. He resided with his wife and family in McLean, Va.

Mr. Eaton, before coming with the Department was consultant to the Senate Committee on Interior and Insular Affairs and the Select Committee on National Water Resources. He and his wife reside in Washington, D.C.

### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

#### UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the pending business there be a time limitation of 1 hour on each amendment, to be equally divided between the majority and minority leaders, and that there be 4 hours on the bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

#### UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the further consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States, there be a limitation of debate of 1 hour on each amendment, to be equally divided and controlled by the majority and the minority leaders, and of 4 hours on the bill, divided and controlled as above.

JULY 22, 1964.

Mr. SMATHERS. Mr. President, I wonder if the Senator from Montana can inform me whether the Senate will take up the amendments this evening?

Mr. MANSFIELD. Yes. The Senate will take up at least the amendment of the Senator from Vermont [Mr. PROUTY], which will be offered very shortly, I hope. Also, the Senate will consider any others which may be available, because it will likely be in session until 7 o'clock this evening, or a little later, and I would hope some amendments would be offered in the meantime.

### STATEMENT BY SENATOR NELSON BEFORE THE HOUSE ARMED SERVICES COMMITTEE ON THE MILITARY PAY BILL

Mr. NELSON. Mr. President, the military pay bill, S. 3001, went on the cal-

endar on July 15, while the Senate was in recess.

I had a hearing scheduled in Escanaba, Mich., which had been scheduled at the request of the chairman of the Interior and Insular Affairs Committee. It was not possible, therefore, when the bill came up on Monday, for me to be on the floor of the Senate.

The bill was placed on the calendar on July 15, while the Senate was in recess. No notice had gone to anyone in the Senate.

My office requested Mr. Valeo to request a delay of 1 day on the military pay bill so that I would have an opportunity to participate. That request was denied by the leadership, I regret to say.

Therefore, it was necessary for me to submit a statement to the House Armed Services Committee which is today conducting hearings on the military pay bill.

Mr. President, I ask unanimous consent that the statement I submitted to the House Armed Services Committee this morning be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT OF SENATOR GAYLORD NELSON, PREPARED FOR THE HOUSE ARMED SERVICES COMMITTEE, JULY 22, 1964

I am submitting this statement for consideration of the House Armed Services Committee because the service pay of the enlisted man for his first 2 years is so inadequate that it ought, I think, be a matter of concern to all of us.

In general, the military pay increase bill, is one that should be supported by every Member of Congress. Our men in service deserve adequate pay. In view of the recent pay increase legislation for civilian Government employees, this bill, which gives a 2½-percent increase to some military men, is certainly justified.

Nonetheless, I believe it suffers from a serious deficiency. Continuing a policy we have followed for the last 12 years, it does not grant a salary increase to the enlisted man in his first 2 years of service. Whereas this policy may have been justified in the past when service was universal or nearly so, it would seem to be grossly unfair to continue it any longer.

The bill leaves unchanged the existing pay schedule which rewards the entering enlisted man with only \$78 per month for his service to his country. I believe it can be shown that this low pay is one of the main reasons we have been failing to hold men in the lower ranks. Moreover, it is undoubtedly one of the main reasons more men do not volunteer for service. And, since we are now drafting only 90,000 men per year on an average, the failure to increase pay and other incentives to volunteers helps perpetuate the draft which, I believe, is rapidly becoming obsolete.

For these various reasons I would like to suggest that the committee consider the following additions to the legislation:

A provision which would grant pay increases of 8½ percent to enlisted men in their first 2 years of service. (This would be an increase corresponding to the increase provided for officers in their first 2 years under the pending legislation.)

A provision which would direct the Secretary of Defense to offer for congressional consideration, study, and debate, a broad plan of general pay increases designed to better attract and retain high quality men, especially in the lower ranks, so that the present high turnover could be reduced.



Consider some of the results of our present failure to pay an adequate wage to men in the lower ranks of military service:

We have not raised the pay of first year enlistees for 12 years. Since 1952, a man entering service has been paid \$78 per month. During this period the average total pay increase for the services has been 39.2 percent. In reality, of course, since the first 2-year men have received no raise at all, this percentage figure understates the basic fact that the great majority of servicemen have had very substantial pay increases relative to the first 2-year enlistees, who have had none.

Since 1946, the only pay increase for entering enlistees has been the 1952 raise of \$3 per month, from \$75 to \$78. Over a year's period this amounts to \$36. Thus, on average in the 18 years since 1946, his pay bracket has been raised about \$2 per year, or the pitifully low annual increase in weekly pay of about 4 cents. This has been a major factor contributing to the unfortunate situation summarized by a recent Department of the Air Force study entitled "Economic Status of Certain Air Force Personnel."

One hundred sixty-nine thousand airmen draw less pay than the poverty level standards set by the President's Council on Economic Advisors.

Eight thousand airmen are below poverty level even after adjustment is made for the value of their rations and quarters.

Seventy thousand airmen must resort to "moonlighting" to supplement their incomes. Sixty thousand airmen are actually eligible for various relief benefits.

Incredible as it must seem to us, more than 5,000 airmen are actually receiving relief.

The Air Force Relief Agency, in response to the emergency needs of airmen, spent one-half of its \$2 million 1963 budget on such basics as food, clothing, and rent.

The Senate Armed Services Committee report on the bill under consideration states that its purpose is to "provide a timely increase in basic pay for the members of the uniformed services and thereby maintain a reasonable comparison in compensation trends for military personnel."

If indeed we are to be faithful to this purpose I believe we should increase the pay of first term military men. Some 840,000 military members with less than 2 years of service will not receive a raise under this bill. This amounts to 35 percent of the 2.3 million active duty enlisted members forecast for fiscal year 1965.

Ninety-five percent of the enlisted members who are being denied an increase under S. 3001 fall into the lowest three pay grades, private first class and below, E-1, E-2, E-3. Of the 5 percent remaining, 45,000, fully 40,000 are in the next higher grade, corporal, E-4.

Every Member of Congress is reminded daily of the state of affairs in the lower ranks by the number of requests he receives for hardship discharges based mainly on financial need.

The only reason things are not worse is that lower graders are mostly unmarried and they receive rations and quarters. If this were not true, they would be among the most impoverished citizens in these United States with their \$961.32 first year take-home pay.

But even taking the factors of rations and quarters into consideration, they are at a distinct disadvantage even in comparison to the least skilled, lowest ranked Federal employee. After we add the value of these benefits to the first year salary of the enlisted man, I estimate that the lowest paid white-collar Federal employee receives 47 percent more annually, and the lowest paid blue-collar Federal employee receives 71 percent more.

Perhaps a more relevant comparison is between the first year enlisted man and the entering apprentice, rather than the lowest

paid worker, for, of course, the services do not accept all those who might qualify simply for clerk or janitorial work. I estimate that the average Federal employee at the beginning apprentice level receives 125 percent more than the entering serviceman.

I believe our men in service deserve better treatment than this.

And I believe that our Nation's military strength could be substantially improved by providing better treatment, for one result of our present pay schedules is a strikingly high turnover of personnel. The following figures show that we are not able to retain trained personnel for substantial periods of time with existing pay rates, especially at the lower ranks:

In the average year, 236,000 men at or below the E-3 level leave the service for reasons other than retirement.

If the next higher grade is included, E-4 (corporal level), the yearly loss for reasons other than retirement amounts to 380,000.

Thus, on average, every 4 years we lose the equivalent of the total number of men in service at these levels. Almost as many men as at the total estimated complement of men at or below the E-3 level, (1.09 million for 1965) and more than the total estimated complement of those at or below E-4 (1.54 million) leave service in every 4-year period.

This high loss rate in the lower ranks is highly uneconomic, is detrimental to military morale, and is certain to have a weakening effect upon our military efficiency. I believe better pay would substantially reduce the rate of loss.

Thus, both for reasons of fairness, and of sound military personnel policy, I respectfully urge that the pay increase legislation now being considered be modified to include substantial pay increases for men in their first years of service.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. PROUTY. Mr. President, the poet Shelley once said, "Weep for Adonais—he is dead." At this hour it is fitting that we should paraphrase this to read, "Weep for civil service for she is dying."

Even in her state of expiration, the administration would sully her honor and stain her virtue with a dirty political brush.

The merit system, which was created under the Presidency of Chester Allen Arthur, has been respected and strengthened by virtually every administration, Republican or Democratic, since that time.

Yet, there are those who would despoil its traditions and use the civil service system as an arm of the Democratic National Committee.

They would have the old standards of ability and merit give way to the wheel and the deal tactics which were abandoned by even the most sordid figures nearly a century ago.

Mr. President, the patronage grabbers, the zealots who would pervert the civil service have forgotten to look at their calendars. Despite their fondest yearnings, it is not yet 1984.

In the spring of 1963, an effort was made to call attention to the White House efforts to create a new area of

political patronage—summer jobs in the executive agencies for college students.

When the administration first stated that college students seeking summer positions would be screened by the White House, a storm of outrage broke loose which was answered by assurances that this procedure involved not patronage but simply coordination.

On March 27, 1963, the Civil Service Commission Chairman attempted to reassure the House Post Office and Civil Service Committee. He contended to the committee that the only reason the White House wanted the names of summer job applicants was to arrange seminars for them.

Senators will recall that the truth finally came out after a great deal of digging by Jerry Klutz, of the Washington Post, and the cries of innocence no longer emanated from the White House.

However, during the earlier stages of the controversy, while both the White House and the Civil Service Commission were issuing denials of wrongdoing, the official publication of the National Federation of College Young Democrats had this to say:

You may have noticed in recent newspaper stories that responsibility for such summer jobs has been transferred to the White House.

The Young Democrats division has checked out what this means for you.

We have been recommended to suggest the following procedure: Write to your Senator or Congressman, asking him for a form 57. When you return it, ask him to enclose an accompanying letter of recommendation and to forward it with the form 57 to Mrs. Dorothy Davies at the White House.

The publication went on to point out that if prospective job applicants have any trouble, they should contact Jim Hunt, the college director of the Democratic National Committee.

Apparently nothing is sacred, not even summertime civil service positions, when the wheelers and the dealers spring into action.

After pressure from the press and Republicans in Congress, the Civil Service Commission, on April 8, 1963, acted to prevent the White House and Federal agencies from appointing students to summer Federal jobs in Washington solely on the basis of political influence.

It allegedly withdrew from all agencies the authority to make temporary appointments and said that the power would not be restored until the Commission was convinced that appointments would be made without political clearances and in full compliance with the law and the Commission's rules and regulations.

This was the first time in history that it became necessary for the Commission to call a special session in order to prevent partisan political considerations from governing the selection of Federal employees.

The Commission informed agency heads that political clearance is clearly illegal, and it cited chapter and verse of the laws and regulations to back up its opinion.



A Civil Service Commission official summed up the unwholesome situation in this fashion:

We were sorry to have to do it but we were placed in an impossible situation where our honor and virtue and the integrity of the system was at stake.

This was the first evidence that the Democratic administration was willing to exploit young students for political ends. It was followed by further convincing proof.

The so-called impartial White House seminars which were conducted in 1963 were the next target for the wheelers and dealers. Lectures were scheduled allegedly to give the summer job holders a broader view of Government operations. The nonpartisan National Center for Education and Politics reported the meetings had definite political overtones.

Indeed, this situation became so bad that several reforms of the program were suggested by Representative WILLIAM WIDNALL and the Americal Political Science Association.

One might have imagined hopefully that the administration had learned its lesson and that the student job program would now be free from the odorous taint of partisan political considerations. Yet, the wheelers and dealers would not have it so.

Joseph Young, a staff writer for the Washington Evening Star, reported in last night's issue that college students in summer Government jobs are being recruited for active service in President Johnson's reelection campaign. The Young Citizens for Johnson, he said, in cooperation with the Democratic National Committee, have distributed literature at White House seminars to young men and women who have secured summer jobs in the Federal service under civil service authority. Young charged that those at the head of the drive openly acknowledge that the purpose is to enlist students in active campaigning for President Johnson after the convention closes, as well as to get them to start Johnson for President groups on their college campuses when they return to school in September.

Democratic spokesmen, according to Young, have boasted that they have gotten around the Hatch Act, but the Star columnist properly characterized the conduct of the administration when he stated:

It raises the question of civil service rules as well as ethics in contacting the youths who are serving in Federal jobs that have been expressly authorized by the Civil Service Commission on the condition that there be no politics involved in their employment.

Mr. President, the wheelers and dealers were not satisfied with the mere distribution of political literature at the supposedly impartial White House seminars. They told the students how arrangements could be made for them to attend the Democratic National Convention, how to get campaign outfits, and how to participate in Democratic rallies.

So that Senators will have the full story on the third major endeavor of the administration to use the civil service program as a political football, I ask unanimous consent that the Star article

be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### JOHNSON CAMPAIGN RECRUITS STUDENTS IN FEDERAL JOBS

(By Joseph Young)

College students in summer Government jobs here are being recruited for active service in President Johnson's reelection campaign.

The Young Citizens for Johnson, in cooperation with the Democratic National Committee, have distributed literature at White House seminars to young men and women who have secured summer jobs in the Federal service under civil service authority.

The literature distributed among most of the 5,000 students in summer Federal jobs invites those interested to attend the Democratic National Convention in Atlantic City next month as convention volunteers.

Those in charge of the drive acknowledge that the purpose is to enlist the students in active campaigning for President Johnson after the convention closes, as well as to get them to start Johnson for President groups on their college campuses when they return to school in September.

Senator BAYH, Democrat, of Indiana, is national chairman of the Young Citizens for Johnson group.

#### MUST QUIT SUMMER JOBS

Spokesman for the organization say no violation of the Hatch Act is involved because the students have been told they will have to quit their Federal summer jobs by August 24 when the Democratic National Convention begins if they are to be accepted as convention volunteers.

However, it raises the question of civil service rules as well as ethics in contacting the youths who are serving in Federal jobs that have been expressly authorized by the Civil Service Commission on the condition that there be no politics involved in their employment.

Last year, after newspaper publicity about White House attempts to gain control over the filling of these summer jobs, the Civil Service Commission stepped in and took away agencies' authority to fill these positions unless political considerations were barred.

All agencies agreed to these terms and the authority was restored to them this year for hiring the students for these jobs.

#### ATTEND SEMINARS

Not all 5,000 are college students, but many are. It is college students the Young Citizens for Johnson are mainly interested in recruiting for the forthcoming political campaign.

The students are brought together once a week or every 2 weeks for so-called White House seminars, though the meetings are held in the Sheraton-Park Hotel. Object of the seminars is to acquaint the students with the workings of Government and the hope that some of them on graduation will choose the Federal service as a career.

They have been addressed by Attorney General Kennedy and several other top Government officials and President Johnson is scheduled to address them next week.

At last Friday's session, literature was distributed to the students inviting them to attend the Democratic convention as volunteers. They were told that special arrangements would be made to house the volunteers at about \$5 a night.

However, they were told they would have to pay a \$10 registration fee to pay for the purchase of an official campaign outfit to identify all convention volunteers—a matching shift and headband for the girls and a matching vest and straw hat for the men. Deadline for applications was set at July 25.

Their duties would include serving as hosts, secretaries, guides, drivers, etc., at the convention.

Spokesmen for the Young Citizens for Johnson say the response has been very good. "We are being swamped with applications," one spokesman said.

#### ONE-DAY PLAN OFFERED

The sheet distributed to the students also offered an alternate plan to those who found they could not attend the entire convention. They could attend the convention for 1 day—on August 25—to attend the Youth Day rally which will be held on the convention floor.

Those who are still unconvinced about participating in either of the two alternatives were invited to attend a party in Senator BAYH's office at 5:30 p.m., July 28, for further discussion.

The students who are interested in enlisting as convention volunteers or attending the 1-day convention youth rally were given two names to contact on Capitol Hill—a college student working for Senator BAYH and another in the office of Representative BOLLING, Democrat, of Missouri.

Mr. PROUTY. Mr. President, what does all this have to do with the bill presently under consideration? Let me explain.

The pending legislation would create a Job Corps in which there would be enrolled young persons age 16 through 21. Many enrollees in the corps will live in conservation camps away from the watchful eyes of Congress and the public. They will be in large measure poorly adjusted children who have dropped out of school or who have failed to pass the Selective Service mental achievement examination.

All of the rules and regulations that govern their conduct and the nature of the education programs they receive will be set and determined by Federal officials of the executive branch.

These young boys lacking a sense of direction and seeking to find themselves are a perfect target for the experts of the fast deal and the propaganda horn.

If the freewheelers have thrice used the college student program for political ends under the Washington spotlight, to what extremes will they go in the backwater country where the barricades say "No visitors" and a military-type atmosphere prevails?

This is not the Germany of the 1930's where political indoctrination was part and parcel of the new order.

This is not an Iron Curtain nation where it is the nature of things to tinker with the political beliefs and allegiances of its young people.

There is no minister of propaganda here, and if we are vigilant and watchful, there never will be.

Mr. President, I send to the desk an amendment which is designed to bar politics from the Job Corps program. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on page 53, between lines 4 and 5, to add the following new section:

SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall



be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the results thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

Redesignate section 107 as section 108.

Mr. PROUTY. Mr. President, the amendment would forbid any officer or employee of the executive branch from making any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the corps.

It would forbid discrimination against or in favor of any enrollee or prospective enrollee because of his political affiliation or beliefs.

It would prevent any officer or employee or enrollee of the corps from taking any active part in political management or political campaigns, while at the same time preserving their right to vote and to express, in their private capacities, their opinions on all political subjects and candidates.

The amendment is aimed at the three specific types of abuses we have seen in the civil service summer job program.

If it is adopted, the administration will not be free to select enrollees on a political basis as they attempted to do in the summer job situation.

If the amendment is adopted, there will be no political indoctrination, no information dispensed in the camps about campaign outfits and political party rallies.

We like to say with respect to political indoctrination that "it can't happen here" but it has happened within the last year and it will happen again unless the Congress acts to prevent politics from entering the gates of the Job Corps camps.

The Germans had a word for camps where thought control was employed, and the word was not conservation.

Let us ever be on the lookout for those who would stain wholesome education and training with their political hue of propaganda.

Let us keep politics in the public arena and out of the Job Corps.

Let us adopt the pending amendment.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. LAUSCHE. Do I correctly understand that the substance of the amendment submitted by the Senator from Vermont contemplates the complete elimination of any political consideration in the hiring, directing, and otherwise handling of enrollees in the Job Corps plan?

Mr. PROUTY. The Senator is correct.

Mr. LAUSCHE. No questions will be permitted to be asked concerning one's political affiliations, except those that now pertain to existing law?

Mr. PROUTY. The Senator is correct.

Mr. LAUSCHE. And no discriminatory practice will be allowed against an enrollee on the basis of political affiliation?

Mr. PROUTY. The Senator is correct.

Mr. TOWER. Mr. President, will the Senator yield for the purpose of proposing a unanimous consent agreement.

Mr. PROUTY. I yield.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment submitted by the Senator from New York [Mr. JAVITS] be included in the previous consent agreement, and that he be allowed 1½ hours under the agreement, 45 minutes to a side?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. McNAMARA. I thank the Senator from Vermont for yielding.

Without agreeing to all of the allegations made by the Senator in his remarks, I agree to his objectives with regard to the bill. I am sure the intent of the amendment would have been carried out in any case. However, if the Senator believes this should be spelled out in the bill, on behalf of the committee that has been handling this legislation, I shall be pleased to accept the amendment.

Mr. PROUTY. I am very grateful to the distinguished Senator from Michigan.

Mr. McNAMARA. Mr. President, I move that the Senate agree to the amendment submitted by the Senator from Vermont [Mr. PROUTY].

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Florida will be stated.

The LEGISLATIVE CLERK. On page 53, between lines 11 and 12, it is proposed to insert a new section, as follows:

REQUIREMENT FOR STATE APPROVAL OF CONSERVATION CAMPS AND TRAINING CENTERS

SEC. 108. In carrying out the provisions of Part A of this title no conservation camp, training center, or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establish-

ment has been submitted to the Governor of the State and such plan has not been disapproved by him within 30 days of such submission.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida.

Mr. HUMPHREY. I understand that the amendment of the Senator from Florida is the amendment that applies to the youth camps. Is that correct?

Mr. SMATHERS. The Senator is correct. I had thought that I would wait until tomorrow to make a statement, but I shall make it now. The amendment merely provides that no youth camps shall be established in any State without the consent of the Governor of that State. The amendment would specifically give the Governor 30 days after he had been notified that there would be a youth camp established in the State in which he could veto it. He could say, "We do not want such a youth camp in our State."

The amendment would give each State some privilege with respect to the determination as to whether or not that State wishes a youth camp of the nature proposed in its State.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. HUMPHREY. The Senator in charge of the bill, the chairman of the committee, the Senator from Michigan [Mr. McNAMARA], indicated a few moments ago that, while the amendment had some limitations in terms of what he thought was the better way to operate under the bill, it was at least livable.

Since there are other amendments that will be taken up tomorrow, which is somewhat of a change of signals, I might say to the Senator from Florida that, since I am interested in the Senator's amendment and have discussed it with him, we might inquire of the Senator in charge of the bill as to whether he is willing to accept the amendment tonight as a measure of further progress on the bill, so that we can proceed with certain other amendments tomorrow.

Mr. SMATHERS. I shall be happy to accept the suggestion of the distinguished whip. I ask the Senator in charge of the bill whether or not he would be willing to accept my amendment.

Mr. McNAMARA. If the Senator will yield—

Mr. SMATHERS. I yield.

Mr. McNAMARA. My position, as enunciated by the majority whip, indicates that I have some reluctance to do so, but upon the recommendation of the leadership I would be prepared to accept the amendment for the committee.

Mr. President, I move the adoption of the amendment of the Senator from Florida.

The PRESIDING OFFICER. Does the Senator from Florida yield back the remainder of his time?

Mr. SMATHERS. I yield back the remainder of my time.

Mr. McNAMARA. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question



is on agreeing to the amendment of the Senator from Florida to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BREWSTER obtained the floor.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for a question?

Mr. BREWSTER. I yield.

Mr. HUMPHREY. For the information of the Senate, does the Senator expect that following the action which he will seek now on the bill there will be yea-and-nay votes on amendments tonight?

Mr. TOWER. I am trying to determine whether any Senator on our side wishes to vote tonight on an amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. JAVITS. I believe my amendment is next in line to be called up. I would prefer to have it dealt with tomorrow.

Mr. HUMPHREY. That is the understanding that we had with the Senator from New York.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

#### REPEAL OF DISTRICT OF COLUMBIA CREDIT UNIONS ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1112, the bill H.R. 8313.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8313) to repeal the District of Columbia Credit Unions Act, to convert credit unions incorporated under the provisions of the act to Federal credit unions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1176), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on the District of Columbia, to whom was referred the bill (H.R. 8313) to repeal the District of Columbia Credit Unions Act, to convert credit unions incorporated under the provisions of the act to Federal credit unions, and for other purposes, after full consideration, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to repeal the District of Columbia Credit Unions Act, and permit District of Columbia chartered credit unions incorporated under the provisions of that act to be chartered under the provisions of the Federal Credit Union Act.

Existing law provides that credit unions may receive charters from the State in which

they are located, including the District of Columbia, or under the provisions of the Federal Credit Union Act, as amended (12 U.S.C. 1751).

There are presently in the District of Columbia 176 credit unions chartered under the Federal act and 16 credit unions chartered under the District act. However, all such credit unions are supervised by the Director of the Bureau of Federal Credit Unions pursuant to provisions of the Federal Credit Union Act. An important function of this Federal supervision is the auditing of the accounts of the various credit unions by the Bureau of Federal Credit Unions. In addition to supervision by the Director of Federal Credit Unions, the 16 District-chartered credit unions are also subject to regulation and supervision by the District of Columbia Commissioners, who are authorized under the District of Columbia Credit Unions Act to approve organization certificates, to suspend or revoke licenses, and approve bylaws. Also, the names of the board of directors, credit committee, and supervisory committee of District credit unions must be filed with the Board of Commissioners pursuant to the District act.

The enactment of H.R. 8313 will convert all District of Columbia credit unions under the sole jurisdiction of the Federal Credit Union Act and will remove the duplicity of regulation that now exists with regard to District of Columbia credit unions, thereby promoting increased efficiency and uniformity in their regulation.

Moreover, this transfer of functions to the Federal agency appears desirable for other reasons as well. The District of Columbia Credit Unions Act was approved in 1932, approximately 2 years before the Federal Credit Union Act was passed, and since that date virtually no changes have been made to bring the operation of the credit unions chartered by the District into line with more modern practices. As recently as 1959, however, the Federal Credit Union Act was amended and modernized in several important respects. For example, these amendments permit credit unions chartered under the Federal act to establish loan offices and to allow single signature loans up to \$750. Also, the boards of directors of such credit unions may now declare dividends either semiannually or annually. Prior to 1959, only annual dividends were authorized. In contrast to these practices, under the District of Columbia Credit Unions Act unsecured loans are permitted only up to a limit of \$300, and the members must still approve any dividend rate as recommended by the board of directors. Also, such dividends are authorized only on an annual basis. Thus, the provisions of H.R. 8313 would enable the 16 credit unions presently chartered under the obsolete District of Columbia act to operate on a comparable basis with the other 159 local credit unions with whom they must compete.

Still a further consideration of prime importance is the fact that if any Federal Government agency whose credit union is chartered by the District of Columbia should move from the District for any reason, its credit union would become nonfunctional. It would not be permitted to operate as a credit union outside of the District, nor could it convert to either a State or a Federal charter due to the lack of a conversion provision in the code. Furthermore, such a credit union could not liquidate as a District of Columbia chartered organization for the purpose of rechartering except under the corporate liquidation laws, which many smaller credit unions could not afford.

On January 22, 1964, the Subcommittee on Business and Commerce held a public hearing on S. 2055, a bill identical to H.R. 8313. Representatives from the Board of Commissioners of the District of Columbia, the District of Columbia Credit Union League, and the Agricultural Employees

Credit Union for the District of Columbia appeared and testified in support of this legislation. The committee was also advised by the Assistant Secretary for the Department of Health, Education, and Welfare, of that Department's approval of the bill. The committee received no opposition to the bill's enactment.

#### RENEWAL OF AMERICAN LEGION MEDAL PATENT NUMBER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1129.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9833) granting a renewal of patent No. D-162,975, relating to a medal of the American Legion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1194), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### PURPOSE

The purpose of H.R. 9833 is to grant a 14-year renewal of the design patent No. D-162,975, issued April 17, 1951, the same being the patent of the design of the American Legion's School Award Medal.

#### STATEMENT

The House of Representatives report reflects the following:

The American Legion is a nonpolitical, civilian organization, originally chartered by the act of Congress of September 16, 1919 (41 Stat. 284; 36 U.S.C. 41-51). Since 1921 the Legion has conducted a school award program involving the annual award of medals to grammar school graduates who exemplify the qualities of courage, honor, service, leadership, scholarship and, recently, patriotism. In 1951 the U.S. Patent Office issued the design patent whose renewal is the subject of this bill for the design of the medal being awarded by the American Legion in connection with its school award program. In the same year the Patent Office issued patent No. D-161,955, relating to a plaque used in connection with the American Legion school award program. The renewal of this design patent is the subject of a companion bill, H.R. 9834. Both such design patents will expire next year, and there is no way, short of an act of Congress, by which they can be extended or renewed.

Consistent committee practice in recent years has been to recommend the granting of renewals of design patents of emblems, badges, etc., of patriotic corporations, e.g., Daughters of the Confederacy (Public Law 213, 88th Cong.), American Legion, Sons of the American Legion, and American Legion Auxiliary (Public Laws 439, 437, and 438, respectively, 87th Cong.).

As indicated by the paragraph above, it has been the consistent practice to recommend the granting of renewals of design patents of emblems, badges, etc., of patriotic organizations, and this committee has concurred in that practice. The committee believes it to be of great value to these patriotic organizations to be able to maintain their emblems, plaques, and badges without the



fear of their being used by other persons or organizations upon the expiration of the patent. It is to the public interest that, as long as the organizations exist, their badges and emblems remain a part of the particular organization. In view of all of the foregoing, the committee concurs in the action of the House of Representatives and recommends that the bill, H.R. 9833, be considered favorably.

Attached hereto and made a part hereof is the letter of the national judge advocate of the American Legion to John S. Mears, assistant director, National Legislative Commission of the American Legion, and the report of the Department of Commerce approving the legislation.

#### RENEWAL OF AMERICAN LEGION PLAQUE PATENT NUMBER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1130.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9834) granting a renewal of patent No. D-161,955, relating to a plaque of the American Legion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1195), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

##### PURPOSE

The purpose of H.R. 9834 is to grant a 14-year renewal of the design patent No. D-161,955, issued February 13, 1951, the same being the patent of the design of the American Legion's School Award Plaque.

##### STATEMENT

The House of Representatives report reflects the following:

The American Legion is a nonpolitical, civilian organization, originally chartered by the act of Congress of September 16, 1919 (51 Stat. 284; 36 U.S.C. 41-51). Since 1921 the Legion has conducted a school award program involving the annual award of medals to grammar school graduates who exemplify the qualities of courage, honor, service, leadership, scholarship and, recently, patriotism. The School Award Plaque is awarded to the educational institutions at which the recipients of the School Award Medals were trained. The plaque is of such design that it permits the engraving thereon of the names of 14 awardees of the School Award Medal. In 1951 the U.S. Patent Office issued design patent No. D-161,955, whose renewal is the subject of this bill, for the design of a plaque. In the same year the Patent Office issued patent No. D-162,975, relating to the School Award Medal, whose renewal is the subject of a companion bill, H.R. 9833. Both such design patents will expire next year and there is no way, short of an act of Congress, by which they can be extended or renewed.

Consistent committee practice in recent years has been to recommend the granting of renewals of design patents of emblems, badges, etc., of patriotic corporations; e.g., Daughters of the Confederacy (Public Law

213, 88th Cong.), American Legion, Sons of the American Legion, and American Legion Auxiliary (Public Laws 439, 437, and 438, respectively, 87th Cong.).

As indicated by the paragraph above, it has been the consistent practice to recommend the granting of renewals of design patents of emblems, badges, etc., of patriotic organizations, and this committee has concurred in that practice. The committee believes it to be of great value to these patriotic organizations to be able to maintain their emblems, plaques, and badges without the fear of their being used by other persons or organizations upon the expiration of the patent. It is to the public interest that, as long as the organizations exist their badges and emblems remain a part of the particular organization. In view of all of the foregoing, the committee concurs in the action of the House of Representatives and recommends that the bill, H.R. 9834, be considered favorably.

Attached hereto and made a part hereof is the letter of the national judge advocate of the American Legion to John S. Mears, assistant director, National Legislative Commission of the American Legion, and the report of the Department of Commerce approving the legislation.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from Maryland for his usual and unfailing consideration.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. BREWSTER. Mr. President, I have an amendment at the desk which I ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Maryland will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BREWSTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, line 14, before "this title", insert "parts A and B of".

On page 88, line 3, before "this title", insert "parts A and B of".

On page 88, line 5, before "this title", insert "parts A and B of".

On page 88, between lines 13 and 14, insert the following:

##### "PART II—INDEMNITY PAYMENTS TO DAIRY FARMERS

"SEC. 331. (a) The Secretary of Agriculture is authorized and directed to make indemnity payments, at a rate not less than the support price for milk and dairy products, to dairy farmers who, as a result of any standard established by any Federal agency or agency of the District of Columbia, have been directed between January 1, 1964, and June 30, 1965, to remove their milk from any commercial market because it contained residues of chemicals registered and approved for use by the Federal Government. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

"(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

Mr. BREWSTER. Mr. President, this amendment would authorize the Secretary of Agriculture to make indemnity payments to dairy farmers who have been forced to remove their milk from the commercial market because it contained certain chemical residues that have heretofore been recommended and authorized for use by the Federal Government.

This is the present situation. Over a period of several years the Department of Agriculture has recommended to farmers that they use Heptachlor and Dieldrin to control the alfalfa weevil in alfalfa that is being produced to make hay to feed livestock, particularly dairy cattle. Over a period of many years cattle agents all over the country instructed our farmers on the use of this pesticide. Fields were sprayed in the spring, again in the summer, and more recently—even in the fall. Heptachlor in a granular form was spread over the fields of Maryland, Virginia, and other farming States across the Nation in an attempt to control this pest.

Now what has happened? The Food and Drug Administration has developed a more accurate test which they use on milk, and they have determined that there is a residue of this chemical in milk. Therefore the Department of Public Health of the District of Columbia has required farmers in Virginia and Maryland where the residue of this chemical has been found in milk to discontinue the sale of their milk products to the District, and they have caused a very substantial number of farmers to dump their milk products on the ground.

This has caused a very serious loss to the producers, but this may well be only the start. This chemical has been used, and is being used, with the very definite recommendation of the Department of Agriculture, all over the United States. As of this time we do not know the extent of the contamination. The producers, in all good faith, have used the chemical, produced their crops, and fed them to their livestock, and now another branch of the Federal Government comes hard on the heels of the recommendation of the Department of Agriculture and says, "You cannot market your crop. You must dispose of it. Dump it out on the ground. It is not fit for human consumption." The apparent unfairness of this situation requires the attention of this Congress.

I have taken the opportunity to offer this amendment as an amendment to the antipoverty bill since time is of the essence. The antipoverty bill is aimed, among other things, at helping the small farmers. There are small farmers all over my State, and all over the Nation, who will suffer great economic loss if they are prevented from marketing their crops because of this new regulation, only the beginning of which we now perceive in the District of Columbia. We recognize the disastrous effect it is having on tens, and probably hundreds of farmers who attempt to market their products in the Nation's Capital. We can readily imagine the predicament that will face the cattle industry and related



livestock industries in which "contaminated" hay is being fed to livestock.

I therefore ask Senators to consider favorably the amendment I have offered.

Mr. President, I ask unanimous consent that a letter I received, under date of July 21, from the president of the Maryland and Virginia Milk Producers' Association, Inc., be included at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARYLAND AND VIRGINIA MILK  
PRODUCERS ASSOCIATION, INC.,  
July 21, 1964.

HON. DANIEL B. BREWSTER,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR: I am writing to you in my capacity as president of Maryland and Virginia Milk Producers Association, and at the suggestion of many of our Maryland directors who have spoken to you regarding the pesticides residue problem, to urge you to introduce the attached amendment to the President's antipoverty bill, which is so urgently needed by so many of our dairy farmer members in the State of Maryland.

I know you are fully aware of the poverty conditions which have been created for the dairy farmers of Maryland by the sudden exclusion of their milk from the District of Columbia because same contains only the slightest possible trace of pesticides residue; and I know you are aware of the fact that such pesticides were used by our Maryland farmers only after same were highly recommended and prescribed for use by the U.S. Government. The result for these excluded farmers has been that they must continue to dump all of their milk production at the farms, and without any advance warning at all they have been completely deprived of their income and livelihoods.

I understand that one of our Maryland farmer-members actually spoke to President Johnson during his recent tour of poverty stricken areas in Maryland, and gained the impression that the new antipoverty program would make some provision for the effective relief of these disastrous conditions. In a later letter written to one of our poverty threatened members by the Department of Health, Education, and Welfare on behalf of President Johnson, it was stated:

"The President has asked us to thank you for your recent letter to him and to assure you of his concern with the problems faced by the farmers of our country. A major item in the President's antipoverty program would make available Federal grants to improve many small farms and thereby stimulate a permanent increase in income for many farmers.

"The President is aware of the hardship that has been imposed upon some dairy farmers in Maryland by the recent discovery of traces of pesticides in milk making the milk unmarketable. It is certainly to be hoped that the situation can be quickly remedied, and we understand that the local health officials are making every effort to clear up this problem and to prevent its reoccurrence by various control methods.

"Whatever the necessary steps are, I do know that all agencies which have any concern with this situation are making every effort to find the solution as quickly as possible. Thank you for writing to the President to express your concern."

A copy of this letter, along with a copy of a letter recently written on this subject by our General Manager, Mr. Click, are attached for your information.

Unfortunately however, the antipoverty bill as reported to the Senate does not cover this specific problem while, as indicated, it was apparently the intention of the administration that it should.

Consequently we strenuously request that you be good enough to make every effort on the floor of the Senate to gain adoption of the attached amendment to the antipoverty bill. Under present conditions it is estimated that the total cost of this indemnity program for the local area (Maryland, Virginia, Pennsylvania, and West Virginia) would not exceed during the period February 1964 through June 1965, the sum of approximately \$250,000; and it is intended merely as a stop-gap program to alleviate the prevailing poverty conditions until an effective program of research and testing can be established to eliminate the residue problem permanently.

Please be assured of the deepest possible appreciation of our membership for your vigorous support in this very serious matter.

With kindest regards, I am,

Sincerely,

EDWARD C. NORMAN,  
President.

Mr. BREWSTER. Mr. President, I ask unanimous consent that a summary of the situation, also prepared by the secretary-treasurer of the Maryland and Virginia Milk Producers' Association, be included at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

#### SUMMARY

This refers to the disastrous situation of dairy farmers being deprived of a livelihood due to the current pesticide problem, which principally involves Heptachlor and Dieldrin.

On behalf of your constituents in the dairy business who are members of our organization we appeal to you for help. We urge that the District of Columbia Department of Public Health discontinue its present policy. We urge that this Department adopt the program for pesticide control of the State of Maryland and the State of Virginia, which are synonymous. Under regulation and law this can be done with approval of the Food and Drug Administration.

As you know, the U.S. Department of Agriculture for the past several years has been recommending the use of these pesticides throughout the State of Maryland and other areas of this milk shed for the control of alfalfa weevil. It was apparently felt by this Department that there would not be enough residual effect from using feeds produced after treatment with chlorinated hydrocarbon pesticides to contaminate milk from the fat of the animals.

The Food and Drug Administration has developed a new testing method which is 10 times more sensitive than tests that were used prior to the fall of 1963. Milk, unlike many other food items, has no tolerance for the presence of residues under the food and drug law. We are told, therefore, that under these laws immediate steps must be taken to assure the public that milk is, or will be, free of residues at the new present actionable levels.

The Department of Agriculture's apparent lack of research information based on present-day methods of testing, plus the introduction last fall of new methodology of testing (about the same time that Heptachlor was being put on alfalfa fields), are the principal causes of our dilemma. The District of Columbia Public Health feels that at this time they must follow the new lower actionable level according to food and drug's new test. As a result, the Health Department is on continuous testing basis of milk from individual producer shipments and are, without warning, suspending producers' permits wherever it is found that milk supplies are above actionable level on the present new basis.

This association feels, and we are certain that we speak for each of its individual

members, that this change of rules is disastrous. Producers have followed directions and recommendations of one branch of the Government and now find themselves in jeopardy on milk shipments from another branch of the Government. This has come about on the basis of no warning to producers and without sufficient time having been allowed to permit producers to adjust.

Our contacts and meetings with Food and Drug Administration officials have been on a very cooperative basis. In many of these meetings in the last several months we have been led to believe that, even though new actionable levels are established by regulations, programs which are set up to eliminate the problem by showing continuous progress toward lowering the levels of pesticide residues over a reasonable period of time are satisfactory. In fact, we are working with such programs within the State of Maryland, within the State of Virginia, and are helping to set up such a program within the State of Pennsylvania. After repeated conferences with the officials of the District of Columbia Health Department, we feel that no cooperation has been extended by them toward producers, or toward the officials conducting programs in the surrounding States at this time.

In fact, the program that has been set up and is operating within the State of Maryland and the State of Virginia consists of a testing program on truck loads of milk to establish the actual residue level that exists and to single out the individual milk producer who, through no fault of his own, is caught in this squeeze. With the cooperation of the officials and industry people, an individual producer has an opportunity to reduce the residue in his milk. This is accomplished through a program of testing feed, changing to different feeds, and the many other tedious tasks involved. At present there are no cutoffs from shipment in this program, except in extremely high cases. I can assure you also that rapid progress is being made in these States. The cooperation of the producers, the county agricultural agents, the State universities, and the State health departments, as well as the industry people, is doing a job that is almost unparalleled. The Food and Drug Administration is aware of these programs and the progress being made.

Compare the above described programs, if you will, with the so-called program being enacted by the District of Columbia Health Department in which, as rapidly as they are able to detect questionable truck loads they are testing individual shippers' milk. On the basis of one test this department is immediately suspending shipments from individual shippers at the very lowest limits actionable by Food and Drug Administration methods. This program was set up and inaugurated early this spring by the Health Department without consultation with the dairy industry.

This type of arbitrary regulation is without precedent. Down through the years, whenever any change in regulations has been promoted, there has always been a certain time lapse in which to give the producers and industry time to comply with new regulations and changes. By the same token, there has always been complete cooperation between industry, producers, and the health department in inaugurating and enforcing new regulations. For example, the new District code for milk production, which went into effect January 1, 1960, was written and announced to the general public well in advance of the effective date. Also, in our programs of the past years to eliminate animal diseases, such as tuberculosis and brucellosis, several years' time was allowed for the process of eliminating these hazards.

We believe it would be only fair to have the same consideration in the present situation. This is especially true in view of



the fact that it cannot be proven that the present levels of pesticides involve a public health hazard. We, as a producer organization, are most desirous of having a milk supply that is free from all pesticides and are working diligently toward this end. As a producing industry, we have for some 40 years worked toward, and believed our chief responsibility to be, a milk supply of the highest quality which offers the greatest health protection to the consuming public.

We cannot inaugurate a progressive program under the present policy of control. We can eliminate this problem only through education of producers as new information becomes available on how and what to feed, and how to manage the herds to eliminate this problem. Individual permit suspension is not necessary except in the very few cases of individual noncooperation after the producer has been apprised of his situation and has been allowed sufficient time to do something about it.

At the present time the following conditions exist within the dairy industry of this Washington milkshed:

(a) Drought: We are facing the third straight year of extremely adverse weather conditions in which producers have been unable to grow sufficient feed for their herds. At this writing there is no pasture, practically no prospect for a second and third hay cutting, corn supplies appear to be stunted to the point where the silage feed crop will be greatly hampered. These facts, coupled with the fact that for 3 years farm credit has been extended to the breaking point, have caused banks, machinery dealers, feed dealers, and the general communities to be concerned greatly over this economic situation; and producers who are caught in this cost-price squeeze are being forced out of business.

(b) Feed contamination: The University of Maryland and other institutions are doing an outstanding job for producers with the pesticide problem in their testing procedures through all of their laboratory facilities. They are determining what feed, if any, is safe to feed from a pesticide point of view.

The 1964 hay crop, which was made early this spring, is showing to be more than 90 percent contaminated with pesticides. The producers followed the recommendations of the U.S. Department of Agriculture and applied Heptachlor or Dieldrin. Furthermore, recent tests are showing that alfalfa fields, which were previously treated with Heptachlor or Dieldrin, that have been plowed up and planted with new feed crops, are showing the pesticide in the new crops. In other words, if a producer had a 200-acre dairy farm with 50 acres of alfalfa, he now has only a 150-acre dairy farm on which to produce feed for his animals.

(c) Fear and confusion of the individual: Dairymen living in the same communities may be suspended from shipping milk if they hold a Washington permit, while their neighbors are not being suspended from shipping milk if they ship to another State or city. The people in these communities have followed the same recommendations and the same general farm practices. This is causing grave concern among individuals who are afraid day by day, in this land of freedom, that their livelihood may be cut off tomorrow.

Under the conditions described above, milk supplies for the Washington market are dwindling. Receipts of this association at this writing are running more than 15,000 gallons of milk a day less than last year.

Producers holding Washington market permits are up in arms about the treatment they are receiving from the District Health Department and are seeking ways and means of securing other markets as a result. Under the conditions, it is hard to blame them individually. However, the Washington milk

supply must be maintained on a basis which will allow the consumer an adequate supply at a reasonable price. Under the present situation the supply cannot continue to remain adequate.

Again, on behalf of your constituents in the dairy business who are our members, we appeal to you for help. We urge that the District of Columbia Department of Public Health discontinue its present policy. We urge that this Department adopt the program for pesticide control of the State of Maryland and the State of Virginia, which are synonymous. Under regulation and law this can be done with approval of the Food and Drug Administration. We could then establish a uniform program for this entire area which would get better, faster, and more permanent results in the reduction of the pesticide problem. These results could be obtained without the expenditure of a vast amount of public funds or increased personnel and laboratory facilities.

Very truly yours,

JAMES E. CLICK,  
Secretary-Treasurer, General Manager,  
Maryland and Virginia Milk Producers  
Association, Inc.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. BEALL. I ask the Senator to permit me to join with him in sponsorship of the amendment. I should like to be a cosponsor of the amendment, if I may.

Mr. BREWSTER. I shall be very glad to have the senior Senator from Maryland as a cosponsor of this amendment. I well know of his great interest in the farmers of our State.

Mr. BEALL. I thank the Senator.

I also call attention to the fact that our colleague, the senior Senator from West Virginia [Mr. RANDOLPH], has had the same problem in his area, particularly in Jefferson County. I know he has worked on it and given it great study during recent months, as we have across the river in Maryland. I know he wants to be associated with us in this amendment.

Since the first of this year, I have been deeply concerned with the difficulties Maryland milk producers have experienced subsequent to the discovery of the presence of minute particles of heptachlor in their milk. Heptachlor is an insecticide used to control the alfalfa weevil, a pest of alfalfa. Up until April 27 of this year, heptachlor was recommended by the Department of Agriculture for treating alfalfa. Discovery of heptachlor's presence in milk was made possible only by improved analytical procedures 10 times more sensitive than any previously used. As a result of the discovery of the heptachlor presence, farmer's milk permits have been revoked. This, of course, means that farmers have been deprived of their markets and forced to dump the milk on their farms. Obviously financial disaster faces these farmers. And this, Mr. President, resulted not from any wrongdoing on the part of the farmer, but to the contrary, the farmers, by using the insecticide, were following the procedures recommended by the Department of Agriculture.

I have explored every possible path through the various Federal agencies in an effort to secure financial assistance for these milk producers. For example, on May 7, I telegraphed the Secretary of Ag-

riculture, urging that the Department of Agriculture indemnify the milk farmers under section 32 of Public Law 320 following the precedent used in the cranberry crisis.

I ask unanimous consent that the text of my telegram, together with the Secretary's adverse reply, be placed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, it seems clear that all possible administrative remedies have been pursued. It is now apparent that legislation is needed. If we are to embark on a poverty program, I feel it is imperative that we provide for those farmers who are now suffering dire financial hardships because they followed the recommendations of the Agriculture Department in the use of insecticides. This amendment would pay the milk support price to those farmers whose milk permit was revoked.

In the debate here today I have heard Senators in justification of this bill state that our diminishing world population is creating problems in the streets of our cities. I have heard it said that rural families come to the cities and find themselves unable to cope with the complexities of city living.

It is then proposed in this bill that conservation camps would help the children of these displaced rural families.

I submit to the Senate that an amendment which is designed to prevent the destruction of dairy farmers in Maryland, Virginia, Pennsylvania, North Carolina and other States where the alfalfa weevil is a problem is germane to this legislation. It will prevent conditions that this bill seeks to correct. It will help prevent, in some cases at least, loss of gainful employment in our rural areas, thereby helping to delay the exodus of our rural population to the cities. I urge all of my colleagues to support this amendment as good, sound poverty prevention.

EXHIBIT 1

MAY 7, 1964.

HON. ORVILLE L. FREEMAN,  
Secretary of Agriculture, Department of Agriculture, Washington, D.C.:

Situation created by revocation of dairy permits of 14 area milk producers most serious. Producers who in good faith followed recommendations of Agriculture Department in use of insecticides face financial disaster. Section 32 of Public Law 320, 74th Congress, provides you with authority to alleviate this disaster by initiating an indemnity program for these farmers. In analogous cranberry crisis, such authority was exercised. Although the financial loss, viewed in its totality falls far short of the cranberry case, I assure you individually each producer faces a financial future just as bleak as that from which the cranberry producers were rescued. It seems to me the same justice shown cranberry producers prompts implementation of the law in this case, and I so urge.

J. GLENN BEALL,  
U.S. Senator, Maryland.

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., May 28, 1964.

HON. J. GLENN BEALL,  
U.S. Senate.

DEAR SENATOR BEALL: This is with further reference to your telegram of May 7, 1964, requesting assistance to dairy farmers whose



milk was found to contain actionable residues of heptachlor epoxide.

Careful consideration has been given to your request. We regret the necessity of informing you that, upon the basis of the facts and reasons contained in the attached statement, we do not believe that section 32 funds, or any other funds available to this Department, can be used for this purpose.

We appreciate your interest in this serious and difficult problem and welcome this opportunity to present the Department's views on the subject.

Sincerely yours,

GEORGE L. MEHREN,  
Assistant Secretary.

**STATEMENT ON THE USE OF SECTION 32 FUNDS TO INDEMNIFY PRODUCERS FOR LOSSES DUE TO THE PRESENCE OF ACTIONABLE AMOUNTS OF CHLORINATED HYDROCARBON INSECTICIDE RESIDUES IN MILK**

Heptachlor was first registered for use on alfalfa November 2, 1953. At that time it was covered by a 0.1 part per million tolerance. This use was canceled January 23, 1960, along with other registrations based on Food and Drug tolerances when those were changed to "zero" on January 19, 1960.

The alfalfa use was then reestablished in August 1960 for southeastern use only and on February 2, 1961, for western use on the basis that there would be no residues in alfalfa when it was treated in accordance with a clearly defined pattern of use. At that time, the USDA was aware of a Food and Drug policy of depending on methods sensitive to 0.1 part per million of chlorinated hydrocarbons in whole milk for regulatory action.

On May 25, 1962, the Food and Nutrition Board of the National Research Council recommended that finite tolerances be established in milk at a level of 0.1 part per million on the basis of fluid milk containing 3.5 percent milk fat. This proposal was not adopted by the Food and Drug Administration. That agency indicated that it would not be willing to set finite tolerances for pesticides in milk, at least without a great deal more data.

Ever since the Food and Drug Administration established "zero" tolerances in 1960, it has consistently refused to rely on any given detection methodology as the one to be used to the exclusion of more sensitive techniques that might be developed later.

On October 11, 1963, the Food and Drug Administration notified the dairy industry groups that heptachlor and heptachlor epoxide, as well as aldrin, dieldrin, and endrin, could then be detected at 0.01 part per million in whole milk (0.25 part per million on the fat basis) and it would be the policy of Food and Drug to use those new methods to determine compliance of milk with the Federal Food, Drug, and Cosmetic Act. Food and Drug officials took the position that residues above this sensitivity level may be dangerous, but acknowledged that data was not available to determine the level that would endanger public health.

Actions taken in California against cheese and milk products shortly thereafter disclosed that the spring use of heptachlor on alfalfa in the West risked contamination of milk, so that use was disapproved in December 1963. Convincing evidence was lacking, however, that the eastern use in the fall before November 15 could contaminate milk and that use was retained.

In February 1964, however, it came to our attention that the Baltimore district laboratory of Food and Drug was finding heptachlor in milk from several dairies in the northern counties of Maryland. When this information was made known to the cooperative buying milk from those dairies, the industry cut them off.

Analysis had found heptachlor in mixed feeds, as well as alfalfa, and that in the case where alfalfa was involved, at least one grower had misused the pesticide by applying it in the spring. This finding was confirmed by an "on site" inspection by the University of Maryland official who reported to us.

Then additional Food and Drug analyses of milk being sent to the Washington, D.C., market disclosed heptachlor epoxide in the milk from 14 dairies at levels in the milk fat of from 0.34 to 2.24 parts per million. The District of Columbia Health Department declared the milk from these dairies ineligible, after a meeting held on April 22, 1964, with broad representation from dairy, health, and agricultural interests.

We continued to have serious doubt that the previously registered pattern of fall use of heptachlor in the East was primarily responsible for this situation. Over 2,000 dairies supply the milk coming into Baltimore and Washington. Only 20 were suspended, whereas heptachlor was widely used. It seemed logical to suspect misuse in the cases where alfalfa could be responsible and it was known that contamination of mixed feeds was a definite factor as well.

This suspicion found some confirmation in the results of 3,000 check tests by the Food and Drug Administration between July 1, 1963, and March 10, 1964. Of these tests, only 49, or 1.9 percent, turned up with actionable pesticide residues. Of the 49 actionable samples 29 showed levels of dieldrin and 16 heptachlor epoxide. Further testing is being performed by the Food and Drug Administration and these tests may present a different set of statistics from which different conclusions may be drawn.

In the meantime, we had only suspicion to go on. There was no hard evidence either way that the producers whose milk was found contaminated strictly followed the prescribed directions or did not follow them. However, as a result of improved chemical methods for detecting trace amounts of heptachlor, the actionable level was reduced below the amount which could be detected at the time of registration. In view of the zero tolerance for residues of heptachlor in alfalfa and the absence of a tolerance for residues of heptachlor in milk, registration was canceled by this Department on April 28, 1964.

If alfalfa containing heptachlor is fed to dairy herds, the residues enter the blood stream and are stored in the body fat. There is a progressive buildup as the animal is fed the contaminated feed over a long period. Since milk fat carries about the same levels of residues as the body fat, when a detectable level of residue is reached it will show in the milk fat. To reduce this level it is necessary to place the animal on a partial starvation diet to consume some of the body fat and thus "bleed off" some of the residue until it is reduced below detectable levels. The length of time this will take depends upon the extent to which the residue has built up before it is detected. This treatment was successful in restoring eligibility to the six Maryland herds whose milk was found to be contaminated in February and two of the herds whose milk was found to be contaminated in April. Since the levels of heptachlor epoxide found in the Maryland herds ranged from 0.34 to 2.24 parts per million, it is hoped that this treatment will restore the eligibility of some or all of the remainder of these herds very soon.

We are informed that to assist in this treatment and to prevent further contamination the Extension Service at the Universities of Maryland and Pennsylvania State are making available to producers procedures whereby samples of alfalfa may be submitted for tests as to the presence of insecticides. Also, the Maryland-Virginia Milk Producers

Association is said to be offering to help its producers to eliminate pesticide residues before they get into the milk.

Such are the facts as we understand them. We now come to the question of whether this Department can or should seek ways to indemnify producers whose milk was found to be contaminated by chlorinated hydrocarbon residues. In considering this question, we have studied the availability of section 32 funds (sec. 32, Public Law 320, 74th Cong., as amended, 7 U.S.C. 612c) to finance programs in aid of these producers. Section 32, as amended, provides, in part, that:

"There is appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation, or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations, or by other means, among persons in low-income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations of the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final."

Programs under clauses (1) and (2) obviously cannot apply to contaminated products, the consumption of which is prohibited. Under the facts before us, we do not believe that there is a basis under clause (3) to indemnify the farmers in question for losses on contaminated milk. Their loss has not been due to a failure of the domestic market to absorb at fair prices the normal production for domestic consumption. We find nothing in the history of section 32 which would support a conclusion that Congress intended that clause (3) could be used to indemnify a few individual producers for loss of purchasing power due to isolated mishaps in their farming operations. Such would be in the nature of crop insurance.

Under clause (3) payments to farmers can be made only in connection with normal production for domestic consumption. It is seriously to be questioned whether the production of contaminated milk can be considered as normal production for domestic consumption within the meaning of this clause. We have never had a clause (3) program for payments on contaminated products. When this clause was used as authority for a program in 1960 to assist cranberry producers, payments were made only with respect to wholesome cranberries for which a market had been lost because of publicity given to the contamination of an extremely small fraction of the cranberries. No payments were made on berries found to be contaminated. (See H. Rept. No. 1592, 86th Cong., 2d sess., on Depart-



ment of Agriculture and Farm Credit Administration appropriation bill, 1961, pp. 19-21).

If the rationale of the cranberry program was applied to the present situation, we would make payments on only wholesome milk, but not on the contaminated milk, and this would not help the producers whose milk is banned from the market. We are now supporting the price of wholesome milk by buying butter, cheese, and nonfat solids under the Agricultural Act of 1949. In the past we have also purchased such products with section 32 funds for distribution to schools, charitable institutions, and relief feeding.

Even if no question existed as to the legal availability of section 32 funds to make payments on contaminated products, we would still have reservations concerning whether the facts set forth above would justify such use.

On the basis of present statistics, only one or two out of a hundred samples tested by the new sensitive method disclose the presence of actionable amounts of chlorinated hydrocarbon insecticide residues in milk. In one case it was definitely proven that the procedure was not followed when the insecticide was applied in the spring.

Moreover, there would be no way to verify in individual cases that the procedures had been followed. The heptachlor residues found in milk this spring would have had to come from alfalfa grown on fields to which heptachlor was applied prior to November 15, 1962.

This inability to verify compliance with approved procedures in connection with indemnity claims raises a serious public policy question. We know that the use of pesticides and insecticides has been of great benefit to the farmer and to the consumer. The public has the right to demand that every precaution be taken in their application. One of the means of insuring that such precautions are taken is the threat of financial loss arising out of the condemnation of contaminated food. The removal of this threat by indemnity payments could well lessen the care taken in their use and this result would certainly not be in the public interest.

This is not to say that insecticide residues are not a problem and a serious one, but the problem is not confined to milk. It covers all food products, including fruits, vegetables, and meat. Many lots of these products are condemned each year and the producers of these products suffer serious losses without indemnity payments of any kind, despite the fact that the improved sensitivity of detection techniques applies to them as well as to milk.

Both the Department of Agriculture and the Department of Health, Education, and Welfare are deeply interested in protecting the public health, and at the same time neither of them want to hurt the farmer. Our two Departments are cooperating closely in a common effort to find a solution to the insecticide residue problem. This joint effort is receiving the active support of the Congress. The House of Representatives has approved a budget request for expanded research on pesticides and insecticides, including effects of residues.

We do not believe that indemnity payments is the answer to this problem, particularly on the basis of the facts now known. We think the better solution is to direct our efforts toward learning more about insecticide residues and tolerance levels which cannot possibly endanger public health. This will not only protect the producer, but will maintain consumer confidence in a pure and wholesome milk supply.

Mr. McNAMARA. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I yield to the Senator from Michigan.

Mr. McNAMARA. I am sure the Senator brings up a question that is of great interest to many Senators. Several States have been mentioned that are involved in situations similar to that of Maryland. I have received mail from milk producers in Michigan along the same line. However, despite this fact, the legislation involved in the amendment has already been or is before the Agriculture Committee in the House of Representatives. I have been advised that the chairman of the Committee on Agriculture and Forestry in the Senate, the Senator from Louisiana [Mr. ELLENDER], has indicated a great interest in the measure. I have heard him speak about it personally. I am sure he is prepared, at an early date, to proceed in this area.

I think it is one which should not come into the picture in a bill which came from the Committee on Labor and Public Welfare, because the committee has not had an opportunity to give it proper treatment. I am sure better legislation would be obtained—and it is needed legislation—to compensate the milk producers who have been damaged by the procedures of the various agencies of the U.S. Government.

I hope the Senator will not press his amendment at this time, but will leave it to the Committee on Agriculture and Forestry with the understanding on the part of the leadership that this matter will be given prompt attention in this session.

Mr. HUMPHREY. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. First, I say to the Senator from Maryland that I support the purpose of his amendment, because the milk industry has been not only jeopardized but seriously threatened by the impact of pesticides.

The distinguished Senator from Maryland will recall that the distinguished Senator from Connecticut [Mr. RIBICOFF] has been conducting a full-scale inquiry into the harmful effects of pesticides and what type of controls ought to be utilized to protect the public health.

The Senator from Connecticut, as a member of my subcommittee, the Subcommittee on Reorganization and International Organizations, has been conducting hearings under a special resolution for that subcommittee.

Other Senators have proposals similar to that proposed by the Senator from Maryland. It is my view that these proposals should go to the Committee on Agriculture and Forestry—not to be delayed. I do not want the Senator to get that idea. The House has already undertaken hearings. The Agriculture Committee will have several sessions between now and adjournment.

The Senator from Minnesota will press, with all the power at his command—limited though it be—for prompt action by the Committee on Agriculture and Forestry.

I feel that not only would such an amendment to the pending bill be somewhat nongermine—that, of course, would not be fatal—but the pending bill has a particular purpose; and I hope that the Senator will accede to the suggestion of the Senator from Michigan, who is the Senator in charge of the bill, in the knowledge that the Senator from Minnesota will join the Senator from Maryland and his colleague in his endeavor to have much needed legislation enacted for the protection of the dairy farmers.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. RANDOLPH. Mr. President, those of us who have been faced with this particular problem are dedicated to the support of an amendment of this type. However, we realize that the argument presented by the Senator from Minnesota [Mr. HUMPHREY], the majority whip, is a compelling one, and the expression made by the Senator from Michigan [Mr. McNAMARA], who is in charge of the bill, also make it important that we not press the matter at this time. Nevertheless, I commend the junior Senator from Maryland, joined by the senior Senator from Maryland, for having presented the amendment.

In Jefferson County, in the eastern panhandle of West Virginia, we have a similar problem. It is a very acute one. I conferred with one farmer, who told me that his entire livestock herd may be lost. Thousands of dollars are involved—a substantial financial loss to this one farmer alone; much privation is already being experienced.

I take some comfort from the expressions here that the matter will not be delayed, and that the appropriate committee of the Senate will move into this matter. I again commend the Senator from Maryland for calling the attention of all Senators to this very perplexing problem, which is one that needs solution. I believe the discussion has been clarifying and helpful.

Mr. BREWSTER. Mr. President, I thank the Senator from Michigan [Mr. McNAMARA], the Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Maryland [Mr. BEALL] and the Senator from West Virginia [Mr. RANDOLPH], who are expressing their support for the subject matter of the amendment which I have offered. I am encouraged by the majority whip's comment that he will use his recognized powers of persuasion to bring this matter to the early attention of the Committee on Agriculture and Forestry.

I point out to the Senate that a large number of farmers in the States of Virginia, West Virginia, and Maryland have suffered grievously. This may well be only the beginning. Many farmers in our areas may receive great and undue harm from this obvious paradox in our Government's approach to agriculture. On the one hand the Government recommends vigorously the use of pesticides and on the other hand, shortly thereafter, if not at the same time, it tells the



farmers they cannot sell their crops because they used those same pesticides.

Because of the persuasive arguments by the manager of the bill and also by the majority whip and with their gracious assurances in mind, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS. Mr. President, I call up my amendment No. 1126.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with, and that the amendment may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1126), ordered to be printed in the RECORD, is as follows:

On page 108, between lines 21 and 22, insert a new section as follows:

"SEC. 614. (a) In carrying out the provisions of parts B and C of title I, part A of title II, and part B of title III, the Director shall establish procedures which shall facilitate effective participation of the States in programs assisted under such parts. In pursuance thereof he shall use his best efforts to develop State plans to carry out the provisions of such parts and shall utilize State agencies and facilities in the administration of such parts whenever and wherever practicable, either at the initiation of programs under such parts or in the course thereof. Procedures established by the Director shall include provision for the referral of applications for assistance under such parts to the Governor of each State affected, or his designee, for such comments as he may deem appropriate in cases not otherwise provided for in this subsection.

"(b) The Director is authorized to make grants to or to contract with States and appropriate State agencies for the payment of the expenses of such agencies in performing their functions under subsection (a) hereof, and for the purpose of providing technical assistance to State and local government agencies in developing, conduction, and administering programs under the parts of this Act listed in subsection (a)."

Redesignate sections 614 and 615 as sections 616 and 618, respectively.

Mr. JAVITS. I reserve the time on my amendment.

Mr. TOWER. Mr. President, I yield 2 minutes on the bill to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, on July 21, I submitted an amendment which would compensate dairy farmers for the great losses they have been sustaining because of their milk being confiscated.

I am sorry that a similar amendment has just been withdrawn. I am modifying my amendment, and it will be printed and lie on the table. I intend to call it up tomorrow. This is a very serious problem, and I intend to pursue the amendment very vigorously tomorrow.

Mr. MANSFIELD. Mr. President, I yield 5 minutes on the bill to the Senator from Oregon.

## CUBAN AGGRESSION AND THE ORGANIZATION OF AMERICAN STATES

Mr. MORSE. Mr. President, it is my honor and privilege to serve, with the Senator from Iowa [Mr. HICKENLOOPER], as one of the two Senate aids to the Secretary of State at the diplomatic conference which is now being held in Washington of the Foreign Ministers of the Organization of American States. This historic conference is being held by the Foreign Ministers of the Organization of American States to consider the charges which have been filed against Cuba by an investigating committee of the Organization of American States which has found Castro Cuba to be guilty of acts of aggression and subversion against Venezuela.

Mr. President, Senator HICKENLOOPER and I are joined on the House side by the chairman of the Subcommittee on Latin American Affairs, Representative ARMITAGE I. SELDEN, JR., Democrat, of Alabama, and WILLIAM S. MAILLIARD, Republican, of California.

I believe that every Member of Congress and every American would have been extremely proud, as I was proud this afternoon, to listen to the speech of our Secretary of State, as he presented to this historic conference the position of the United States in respect to the charges which the investigating committee of OAS has filed against Cuba for its acts of aggression and subversion against Venezuela.

I consider it a great privilege and honor to ask unanimous consent to have inserted in the CONGRESSIONAL RECORD at this point the statement made by the Secretary of State, Dean Rusk, at the ninth meeting of the Foreign Ministers of the countries comprising the Organization of American States at the Pan American Union, in Washington, today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY OF STATE DEAN RUSK AT THE NINTH MEETING OF FOREIGN MINISTERS, PAN AMERICAN UNION, WASHINGTON, D.C., JULY 21-24, 1964

Mr. Chairman, fellow Ministers, you have complimented us all, Mr. Chairman, in your willingness to serve as our presiding officer, and your chairmanship gives great satisfaction to every colleague at this table.

Five times in as many years the Foreign Ministers of the American Republics have met to consider situations affecting the peace of the hemisphere arising in whole or in part from the interventionist activities of the Castro regime. This is a measure of the frequency with which our regional security system has had to act to thwart Castro's aggressive designs.

In the face of continued Cuban aggression, the time has now come to make it abundantly clear to the Castro regime that the American Governments in complete solidarity will no longer tolerate its efforts to export revolution through the classic Communist techniques of terror, and guerrilla warfare, and the infiltration of arms and subversive agents.

## ORIGINS OF CUBAN AGGRESSION

The pattern of Cuban aggression emerged soon after the Castro regime came to power in 1959. You will recall the armed expeditions which set forth from Cuban territory against Panama, the Dominican Republic, and Haiti during the first 6 months of that year. When this direct method of overthrowing governments failed, the Cuban Government turned to the indirect technique of subversion. From the sending of armed landing parties, Castro shifted to training in subversive techniques, transfer of funds for subversive elements, dissemination of systematic and hostile propaganda and the clandestine shipment of both arms and men. The new pattern emerged in full bloom last year when Castro made a major effort to disrupt the democratic elections in Venezuela and, beyond that, to destroy the democratic institutions of that country.

## ESTABLISHMENT OF COMMUNIST BEACHHEAD IN CUBA

But it took some time to "tool up" the new mechanism for indirect aggression. Meanwhile, the Castro regime embarked upon another type of assault against the traditions and principles of the American community of nations: the establishment of the Communist system in Cuba itself and the facilitation of military intervention by an extra-continental totalitarian power in this hemisphere.

I will not take the time here to go into all the details, but you will recall that by mid-1960 the construction of the apparatus of a Communist state in Cuba was well advanced. Likewise its ties with the Soviet bloc and with Communist China were firmly established. Castro signed the first agreement with the Soviets in February 1960 and with the Red Chinese in July. Cuba established diplomatic relations with the Soviet Union in May 1960, and with the satellite countries in succeeding months. On July 9, 1960, Premier Khrushchev made his offer to support Cuba with rocket power, and President Dorticos replied the following day hailing as he put it "the message of solidarity spoken by the Prime Minister of the Soviet Union." These words were shortly followed by deeds in the form of shipments of large quantities of Soviet arms. On January 2, 1961, Castro paraded these weapons for the world to see, and the flow of arms and the parades continued in the years since.

By August 1960 when the American Foreign Ministers met in San Jose for the seventh meeting of consultation, Cuba clearly had become Communist and international communism had opened an important beachhead in the Western Hemisphere.

## THE HEMISPHERE'S INITIAL RESPONSE

The response of the American governments to this flagrant challenge to hemisphere security fell short—surely we would have to say now—of the nature of the threat. Neither at the fifth meeting of consultation in 1960 nor the seventh meeting in 1960 did the Foreign Ministers act in a way to make clear to the Castro regime that the transformation of Cuba into a base of operations for international communism would not be tolerated by the American community.

The task of throwing up the hemisphere's defenses devolved on subsequent consultations beginning with the eighth meeting of Foreign Ministers in January 1962, at Punta del Este.

## TRANSFORMATION OF THE HEMISPHERE'S ATTITUDE

The change in the hemisphere's attitude toward the danger represented by a Commu-



Mr. MANSFIELD. I yield 2 additional minutes to the Senator from Oregon.

Mr. MORSE. If the Senator will permit me to say so, I do not think that as a participant in the Conference and as one of the aids to the Secretary of State, I should attempt to speak on the question. The Secretary of State has made very clear what the position of our Government is and he is the only one who should speak at this time for our Government as to what kind of sanctions our Government thinks should be adopted.

I speak this afternoon only to place in the RECORD the great speech of the Secretary of State and to make my formal announcement that I stand squarely, solidly, and completely behind the position that the Secretary of State took at the Foreign Ministers Conference this afternoon.

Mr. LAUSCHE. I did not hear the entire statement of the Senator from Oregon; but the extent to which I heard it permits me to say that I concur in the views which he expressed.

Mr. MORSE. I knew that the Senator from Ohio, as a colleague of mine on the Committee on Foreign Relations, would concur.

#### MONUMENT COMMEMORATING THE INDEPENDENCE OF MEXICO

Mr. KUCHEL. Mr. President, I yield myself 1 minute.

I ask that the Chair lay before the Senate a message from the House of Representatives on S. 944.

The PRESIDING OFFICER (Mr. McGOVERN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 944) to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico, and for other purposes, which was, on page 1, line 10, strike out all after "Sec. 2." over to and including "necessary" on page 2, line 1, and insert "There is hereby authorized to be appropriated not in excess of \$150,000."

Mr. KUCHEL. Mr. President, earlier a number of Senators joined me in introducing a bill by which the people of the United States would present to the people of Mexico a likeness, in bronze or stone, of Abraham Lincoln. The people of Mexico are our dear friends and neighbors. They share our love of freedom and our high esteem of the Great Emancipator. The bill passed the House of Representatives yesterday with an amendment placing a ceiling of \$150,000 on the amount to be expended.

I am authorized to say that the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] concurs in the amendment, as indeed do I, and as does, I believe, every other Member of the Senate who did the bill the honor of attaching his name to it as a cosponsor.

Under those circumstances, I move

that the Senate concur in the amendment of the House.

The motion was agreed to.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

Senators will be reading the RECORD overnight. I wish to invite attention to the fact that it is my amendment that is now pending. It is the first amendment that was offered. It provides for some element of control by the States over the antipoverty program which is contemplated by the bill, without interfering with the opportunity of the Director to move promptly and expeditiously into any area where immediate action is necessary, even before the State is ready to launch into the activity which is called for.

I spoke on this subject at considerable length earlier in the day. I respectfully refer Senators to the detailed analysis of the amendment and the germaneness to it of other Federal-State programs that are conducted in this field.

I invite attention to the fact that even today an amendment offered by the distinguished Senator from Florida [Mr. SMATHERS], which has already been accepted, goes much further, even, in respect of the particular camps that are provided for by title I of the bill, so as to require the consent of the States and 30 days' notice before the camps can even be established in the particular State.

I also point out that the problem is cared for by an amendment which was adopted in committee, in which I concurred, with Mr. Shriver, relating to the use of State camps—and there are many States in which there are such camps—so that there would be no duplication of activities.

But there is no substitute that I think answers the feeling of many Members of this body that the States should have an opportunity to handle what is essentially a State activity, under Federal coordination policies, with Federal help. The States should be given that opportunity. That is what my amendment seeks to accomplish.

I hope the Senate may consider my amendment favorably tomorrow.

I reserve the remainder of my time.

#### ORDER FOR MORNING HOUR TOMORROW

Mr. MANSFIELD. Mr. President, I yield myself half a minute on the bill.

I ask unanimous consent that when the Senate meets tomorrow, there be a morning hour of not to exceed one-half hour.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. The Senator might wish to suggest that there be a quorum call without the time for the quorum call being charged against his time.

#### ADJOURNMENT

Mr. TOWER. Mr. President, pursuant to the previous order, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 57 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, July 23, 1964, at 11 o'clock a.m.

#### NOMINATIONS

Executive nominations received by the Senate July 22, 1964:

##### IN THE NAVY

Having designated, under the provisions of title 10, United States Code, section 5231, Rear Adm. Lot Ensey, U.S. Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of vice admiral while so serving.

##### IN THE AIR FORCE

The following-named officers to be placed on the retired list in the grade indicated, under the provisions of section 8962, title 10 of the United States Code:

##### In the grade of general

Gen. Thomas S. Power, 481A (major general, Regular Air Force) U.S. Air Force.

##### In the grade of lieutenant general

Lt. Gen. Robert W. Burns, 527A (major general, Regular Air Force) U.S. Air Force.

Lt. Gen. Frank A. Bogart, 585A (major general, Regular Air Force) U.S. Air Force.

Lt. Gen. Harold W. Grant, 497A (major general, Regular Air Force) U.S. Air Force.

The following-named officers to be assigned to positions of importance and responsibility designated by the President in the grade of lieutenant general, under the provisions of section 8066, title 10 of the United States Code:

Maj. Gen. William W. Momyer, 1964A, Regular Air Force.

Maj. Gen. Jack G. Merrell, 1687A, Regular Air Force.

##### IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general, subject to qualification therefor as provided by law:

|                   |                   |
|-------------------|-------------------|
| John H. Masters   | Lewis W. Walt     |
| George S. Bowman, | Carl A. Youngdale |
| Jr.               | Ormond R. Simpson |

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general, subject to qualification therefor as provided by law:

|                      |                      |
|----------------------|----------------------|
| William A. Stiles    | Robert G. Owens, Jr. |
| Louis Metzger        | Jonas M. Platt       |
| Homer G. Hutchinson, | Clifford B. Drake    |
| son,                 |                      |

#### WITHDRAWAL

Executive nomination withdrawn from the Senate July 22, 1964:

##### POSTMASTER

I withdraw the nomination sent to the Senate on February 3, 1964, of Charlie T. Cummings to be postmaster at Alcarado, in the State of Texas.











July 23, 1964

States (H. Rept. 1565). p. 16323

10. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 3672, to provide for the construction, operation, and maintenance of the Savery-Pot Hook and Fruitland Mesa participating reclamation projects under the Colorado River Storage Project Act (H. Rept. 1571); and S. J. Res. 49, authorizing the Secretary of the Interior to carry out a continuing program to reduce nonbeneficial consumptive use of water in the Pecos River Basin, in N. Mex. and Tex. (H. Rept. 1572). p. 16323
11. EDUCATION. The Education and Labor Committee ordered reported (but did not actually report) H. R. 11904, to amend and extend the National Defense Education Act. p. D583
12. FOREIGN TRADE. Rep. Curtis inserted an analysis prepared by the Library of Congress of the Joint Economic Committee's report, "The United States Balance of Payments." pp. 16309-11
13. PATENTS. Rep. Roudsbush discussed the U. S. patent system and the antitrust laws and stated that he is of the conviction there is no conflict between the objectives of the antitrust statutes and the patent laws. pp. 16318-20
14. LEGISLATIVE PROGRAM. Rep. Albert announced that the legislative program for next week will include H. R. 9070, to establish a National Wilderness Preservation System. p. 16306
15. ADJOURNED until Mon., July 27. p. 16306

SENATE

16. POVERTY. By a vote of 62 to 33 passed with amendments S. 2642, the poverty bill. pp. 16142-7, 16148-54, 16156-70, 16178-244.

Agreed to the following amendments:

- By Sen. Smathers, 80 to 7, to modify the amendment by Sen. Javits, to facilitate effective participation of States in programs under the bill. pp. 16164-5
- By Sen. Young, N. Dak., to indemnify dairy farmers forced to remove their milk from the market because of chemical residues. pp. 16187-90
- By Sen. Keating to provide a voluntary assistance program for needy children. pp. 16193-5
- By Sen. Lausche, 49 to 43, to eliminate the proposed family farm development corporations. pp. 16195-202.
- By Sen. McNamara, as an amendment to one proposed by Sen. Lausche, to reduce the authorization under Title III, Special Programs to Combat Poverty in Rural Areas, from \$50,000,000 to \$35,000,000. pp. 16208-9
- By Sen. Humphrey to authorize loans rather than grants of up to \$1,500 to low income rural families. pp. 16191-3
- By Sen. Clark of a technical, corrective nature, respecting contracts for research, training, and demonstrations. p. 16203

Rejected the following amendments:

- By Sen. Prouty, 45 to 46, to require prior approval of a State Governor before assistance may be furnished to any State program or project. pp. 16156-65
- By Sen. Holland, 46 to 49, to give the Governor of each State the right to a 30-day review of projects for youth programs and urban and rural community action programs. pp. 16203-8



- By Sen. Prouty, 33 to 61, to bar the establishment or operation by any Federal agency of conservation camps. pp. 16209-13
- By Sen. Lausche, 37 to 57, to reduce by \$100,000,000 the authorization of appropriations to finance Title I, Youth Programs. pp. 16214-5
- By Sen. Ervin to bar a grant to any school affiliated with any church or related organization. pp. 16190-2

17. STOCKPILE. Received from GSA a proposed bill to authorize disposal, without regard to the 6-month waiting period, of approximately 9,500,000 pounds of sisal from the national stockpile; to Armed Services Committee. p. 16115  
Sen. Byrd, Va., inserted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures showing Federal stockpile inventories for May 1964. pp. 16116-25
18. INDIANA DUNES. Sen. Douglas spoke in favor of S. 2249, to establish the Indiana Dunes National Lakeshore. pp. 16128-9
19. LOANS. Sen. Douglas inserted and commended an editorial favoring enactment of the truth-in-lending bill. p. 16129  
Sen. Williams, Del., criticized Farmers Home Administration loans for recreation development. pp. 16141-2
20. FOOD PRICES. Sen. Hartke said food is now cheaper, in relation to income, than ever before, and inserted an article on this subject. pp. 16130-1
21. FISH. Sen. Pell inserted an article by Harlan C. Lampe on the problems of the fishing industry, in which he states that the U. S. is unusual in having such a strong agriculture that it can afford "the luxury of a declining fish industry." pp. 16130-1
22. ALASKA RELIEF. Sen. Jackson moved that the Senate concur in the House amendment to S. 2881, the Alaska relief bill, with a further amendment. There was discussion but no action upon this motion. pp. 16197-8
23. APPROPRIATIONS. Sen. Bennett inserted a summary and recommendations on the budget by the American Farm Bureau Federation. pp. 16245-7
24. FOREIGN TRADE. Sen. Javits noted an improvement in the balance-of-payments situation. pp. 16249-50
25. FISCAL AND ECONOMIC POLICY. Sen. Douglas inserted and commended a Washington Post editorial supporting the work of Rep. Patman and others in "formulating a series of proposals designed to achieve a closer coordination between our monetary policy and the other economic policies of the Federal Government." pp. 16251-2
26. TAXATION. The Finance Committee ordered favorably reported (but did not actually report) with amendment S. 2281, to clarify the components of, and to assist in the management of, the national debt and the tax structure; and H. R. 7307, to amend the Internal Revenue Code with respect to apportionment of the depletion allowance between parties to certain contracts. p. 16581

THE WAR ON POVERTY  
THE ECONOMIC OPPORTUNITY ACT OF 1964

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A COMPILATION OF  
MATERIALS RELEVANT TO S. 2642  
PREPARED FOR THE  
SELECT SUBCOMMITTEE ON POVERTY  
OF THE  
COMMITTEE ON LABOR AND  
PUBLIC WELFARE  
UNITED STATES SENATE



JULY 23, 1964.—Ordered to be printed

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### S. Res. 322

IN THE SENATE OF THE UNITED STATES,

*July 23, 1964.*

*Resolved*, That there be printed as a Senate document the committee print entitled "The War on Poverty, the Economic Opportunity Act of 1964, a Compilation of Materials Relevant to S. 2642," of the Eighty-eighth Congress, second session; and that there be printed nine thousand additional copies of such document for the use of the Committee on Labor and Public Welfare.

Attest:

FELTON M. JOHNSTON, *Secretary*.

## FOREWORD

The selected documents included herein will be essential to the subcommittee in its deliberations on S. 2642. It will be helpful to have these materials compiled in a readily available form and in a single document for the use of the subcommittee and others.

"The War on Poverty," a congressional presentation, was prepared under the direction of Sargent Shriver, special assistant to President Lyndon B. Johnson. The section-by-section analysis of S. 2642 was prepared by the Office of the Legal Counsel, U.S. Department of Justice. "The Economic Opportunity Act of 1964: A summary" is from "Legislative Notes," published by the Office of Education March 16, 1964.

PAT McNAMARA,  
*Chairman, Select Subcommittee on Poverty,  
Committee on Labor and Public Welfare.*





# CONTENTS

|                                                                            | Page |
|----------------------------------------------------------------------------|------|
| Presidential message on poverty.....                                       | 1    |
| Text of S. 2642.....                                                       | 7    |
| Section-by-section analysis of the Economic Opportunity Act of 1964.....   | 27   |
| <b>THE WAR ON POVERTY—A CONGRESSIONAL PRESENTATION,<br/>MARCH 17, 1964</b> |      |
| Introduction.....                                                          | 35   |
| The children of poverty.....                                               | 36   |
| The bypassed.....                                                          | 37   |
| The rural poor.....                                                        | 37   |
| The minority poor.....                                                     | 38   |
| The fatherless families.....                                               | 39   |
| The aged.....                                                              | 39   |
| The cost of poverty.....                                                   | 40   |
| The foundation of the poverty program.....                                 | 40   |
| Youth—Salvaging a vital resource.....                                      | 41   |
| Sources and selection.....                                                 | 42   |
| Job Corps.....                                                             | 43   |
| A. Conservation camps.....                                                 | 43   |
| The work component.....                                                    | 43   |
| The education component.....                                               | 44   |
| Staff.....                                                                 | 45   |
| B. Training centers.....                                                   | 45   |
| The training component.....                                                | 46   |
| Other components.....                                                      | 46   |
| Staff.....                                                                 | 46   |
| C. General.....                                                            | 46   |
| Budget estimate.....                                                       | 47   |
| Work training program.....                                                 | 47   |
| Budget.....                                                                | 49   |
| Work-study program.....                                                    | 49   |
| Budget.....                                                                | 51   |
| Conclusion.....                                                            | 51   |
| Community action programs.....                                             | 51   |
| Present Federal programs.....                                              | 52   |
| A coordinated approach.....                                                | 53   |
| Who may apply for a grant?.....                                            | 53   |
| How will programs be initiated?.....                                       | 53   |
| What are the criteria?.....                                                | 53   |
| What activities will be undertaken?.....                                   | 54   |
| How will plans be processed?.....                                          | 54   |
| Program development grants.....                                            | 55   |
| Federal-local cost sharing.....                                            | 56   |
| Farm investment: Strength in the marketplace.....                          | 56   |
| Grants and loans to individual farm families.....                          | 58   |
| Farm land purchase and resale.....                                         | 59   |
| Loans to cooperatives.....                                                 | 60   |
| Employment and investment incentives.....                                  | 61   |
| Part A—Incentives for hiring.....                                          | 61   |
| Part B—Small business loans.....                                           | 62   |
| Family unity through jobs.....                                             | 65   |
| Relationship to Manpower Development and Training Act.....                 | 66   |
| Budget estimate.....                                                       | 68   |
| Volunteers for America—The opportunity to help.....                        | 68   |



|                                                  | Page |
|--------------------------------------------------|------|
| Information center.....                          | 70   |
| Office of Economic Opportunity.....              | 71   |
| Organization and administration.....             | 71   |
| Office of the Director.....                      | 71   |
| Job Corps.....                                   | 71   |
| Community action programs.....                   | 72   |
| Volunteers for America program.....              | 72   |
| General counsel.....                             | 73   |
| Public information.....                          | 73   |
| Management.....                                  | 73   |
| Summary.....                                     | 74   |
| Budget summary.....                              | 74   |
| <hr/>                                            |      |
| Economic Opportunity Act of 1964: A summary..... | 75   |

## PRESIDENT JOHNSON'S MESSAGE ON POVERTY

*To the Congress of the United States:*

We are citizens of the richest and most fortunate nation in the history of the world.

One hundred and eighty years ago we were a small country struggling for survival on the margin of a hostile land.

Today we have established a civilization of free men which spans an entire continent.

With the growth of our country has come opportunity for our people—opportunity to educate our children, to use our energies in productive work, to increase our leisure—opportunity for almost every American to hope that through work and talent he could create a better life for himself and his family.

The path forward has not been an easy one.

But we have never lost sight of our goal—an America in which every citizen shares all the opportunities of his society, in which every man has a chance to advance his welfare to the limit of his capacities.

We have come a long way toward this goal.

We still have a long way to go.

The distance which remains is the measure of the great unfinished work of our society.

To finish that work I have called for a national war on poverty. Our objective: total victory.

There are millions of Americans—one-fifth of our people—who have not shared in the abundance which has been granted to most of us, and on whom the gates of opportunity have been closed.

What does this poverty mean to those who endure it?

It means a daily struggle to secure the necessities for even a meager existence. It means that the abundance, the comforts, the opportunities they see all around them are beyond their grasp.

Worst of all, it means hopelessness for the young.

The young man or woman who grows up without a decent education, in a broken home, in a hostile and squalid environment, in ill health or in the face of racial injustice—that young man or woman is often trapped in a life of poverty.

He does not have the skills demanded by a complex society. He does not know how to acquire those skills. He faces a mounting sense of despair which drains initiative and ambition and energy.

Our tax cut will create millions of new jobs—new exits from poverty.

But we must also strike down all the barriers which keep many from using those exits.

The war on poverty is not a struggle simply to support people, to make them dependent on the generosity of others.

It is a struggle to give people a chance.

It is an effort to allow them to develop and use their capacities, as we have been allowed to develop and use ours, so that they can share, as others share, in the promise of this Nation.

We do this, first of all, because it is right that we should.



From the establishment of public education and land-grant colleges through agricultural extension and encouragement to industry, we have pursued the goal of a nation with full and increasing opportunities for all its citizens.

The war on poverty is a further step in that pursuit.

We do it also because helping some will increase the prosperity of all.

Our fight against poverty will be an investment in the most valuable of our resources—the skills and strength of our people.

And in the future, as in the past, this investment will return its cost many fold to our entire economy.

If we can raise the annual earnings of 10 million among the poor by only \$1,000 we will have added \$14 billion a year to our national output. In addition we can make important reductions in public assistance payments which now cost us \$4 billion a year, and in the large costs of fighting crime and delinquency, disease and hunger.

This is only part of the story.

Our history has proved that each time we broaden the base of abundance, giving more people the chance to produce and consume, we create new industry, higher production, increased earnings, and better income for all.

Giving new opportunity to those who have little will enrich the lives of all the rest.

Because it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty, I submit, for the consideration of the Congress and the country, the Economic Opportunity Act of 1964.

The act does not merely expand old programs or improve what is already being done.

It charts a new course.

It strikes at the causes, not just the consequences of poverty.

It can be a milestone in our 180-year search for a better life for our people.

This act provides five basic opportunities:

It will give almost half a million underprivileged young Americans the opportunity to develop skills, continue education, and find useful work.

It will give every American community the opportunity to develop a comprehensive plan to fight its own poverty—and help them to carry out their plans.

It will give dedicated Americans the opportunity to enlist as volunteers in the war against poverty.

It will give many workers and farmers the opportunity to break through particular barriers which bar their escape from poverty.

It will give the entire Nation the opportunity for a concerted attack on poverty through the establishment, under my direction, of the Office of Economic Opportunity, a national headquarters for the war against poverty.

This is how we propose to create these opportunities.

*First*, we will give high priority to helping young Americans who lack skills, who have not completed their education or who cannot complete it because they are too poor.

The years of high school and college age are the most critical stage of a young person's life. If they are not helped then, many will be condemned to a life of poverty which they, in turn, will pass on to their children.

I therefore recommend the creation of a Job Corps, a work-training program, and a work-study program.

A new national Job Corps will build toward an enlistment of 100,000 young men. They will be drawn from those whose background, health, and education make them least fit for useful work.

Those who volunteer will enter more than 100 camps and centers around the country.

Half of these young men will work, in the first year, on special conservation projects to give them education, useful work experience, and to enrich the natural resources of the country.

Half of these young men will receive, in the first year, a blend of training, basic education, and work experience in job training centers.

These are not simply camps for the underprivileged. They are new educational institutions, comparable in innovation to the land-grant colleges. Those who enter them will emerge better qualified to play a productive role in American society.

A new national work-training program operated by the Department of Labor will provide work and training for 200,000 American men and women between the ages of 16 and 21. This will be developed through State and local governments and nonprofit agencies.

Hundreds of thousands of young Americans badly need the experience, the income, and the sense of purpose which useful full or part-time work can bring. For them such work may mean the difference between finishing school or dropping out. Vital community activities from hospitals and playgrounds to libraries and settlement houses are suffering because there are not enough people to staff them.

We are simply bringing these needs together.

A new national work-study program operated by the Department of Health, Education, and Welfare will provide Federal funds for part-time jobs for 140,000 young Americans who do not go to college because they cannot afford it.

There is no more senseless waste than the waste of the brainpower and skill of those who are kept from college by economic circumstance. Under this program they will, in a great American tradition, be able to work their way through school.

They and the country will be richer for it.

*Second*, through a new community action program we intend to strike at poverty at its source—in the streets of our cities and on the farms of our countryside among the very young and the impoverished old.

This program asks men and women throughout the country to prepare long-range plans for the attack on poverty in their own local communities.

These are not plans prepared in Washington and imposed upon hundreds of different situations.

They are based on the fact that local citizens best understand their own problems, and know best how to deal with those problems.

These plans will be local plans striking at the many unfilled needs which underlie poverty in each community, not just one or two. Their components and emphasis will differ as needs differ.

These plans will be local plans calling upon all the resources available to the community—Federal and State, local and private, human and material.



And when these plans are approved by the Office of Economic Opportunity, the Federal Government will finance up to 90 percent of the additional cost for the first 2 years.

The most enduring strength of our Nation is the huge reservoir of talent, initiative and leadership which exists at every level of our society.

Through the community action program we call upon this, our greatest strength, to overcome our greatest weakness.

*Third*, I ask for the authority to recruit and train skilled volunteers for the war against poverty.

Thousands of Americans have volunteered to serve the needs of other lands.

Thousand more want the chance to serve the needs of their own land.

They should have that chance.

Among older people who have retired, as well as among the young, among women as well as men, there are many Americans who are ready to enlist in our war against poverty.

They have skills and dedication. They are badly needed.

If the State requests them, if the community needs and will use them, we will recruit and train them and give them the chance to serve.

*Fourth*, we intend to create new opportunities for certain hard-hit groups to break out of the pattern of poverty.

Through a new program of loans and guarantees we can provide incentives to those who will employ the unemployed.

Through programs of work and retraining for unemployed fathers and mothers we can help them support their families in dignity while preparing themselves for new work.

Through funds to purchase needed land, organize cooperatives, and create new and adequate family farms we can help those whose life on the land has been a struggle without hope.

*Fifth*, I do not intend that the war against poverty become a series of uncoordinated and unrelated efforts—that it perish for lack of leadership and direction.

Therefore this bill creates, in the Executive Office of the President, a new Office of Economic Opportunity. Its Director will be my personal chief of staff for the war against poverty. I intend to appoint Sargent Shriver to this post.

He will be directly responsible for these new programs. He will work with and through existing agencies of the Government.

This program—the Economic Opportunity Act—is the foundation of our war against poverty. But it does not stand alone.

For the past 3 years this Government has advanced a number of new proposals which strike at important areas of need and distress.

I ask the Congress to extend those which are already in action, and to establish those which have already been proposed.

There are programs to help badly distressed areas such as the Area Redevelopment Act, and the legislation now being prepared to help Appalachia.

There are programs to help those without training find a place in today's complex society—such as the Manpower Development Training Act and the Vocational Education Act for youth.

There are programs to protect those who are specially vulnerable to the ravages of poverty—hospital insurance for the elderly, protection

for migrant farmworkers, a food stamp program for the needy, coverage for millions not now protected by a minimum wage, new and expanded unemployment benefits for men out of work, a housing and community development bill for those seeking decent homes.

Finally there are programs which help the entire country, such as aid to education which, by raising the quality of schooling available to every American child, will give a new chance for knowledge to the children of the poor.

I ask immediate action on all these programs.

What you are being asked to consider is not a simple or an easy program. But poverty is not a simple or an easy enemy.

It cannot be driven from the land by a single attack on a single front. Were this so we would have conquered poverty long ago.

Nor can it be conquered by government alone.

For decades American labor and American business, private institutions and private individuals have been engaged in strengthening our economy and offering new opportunity to those in need.

We need their help, their support, and their full participation.

Through this program we offer new incentives and new opportunities for cooperation, so that all the energy of our nation, not merely the efforts of government, can be brought to bear on our common enemy.

Today, for the first time in our history, we have the power to strike away the barriers to full participation in our society. Having the power, we have the duty.

The Congress is charged by the Constitution to "provide \* \* for the general welfare of the United States." Our present abundance is a measure of its success in fulfilling that duty. Now Congress is being asked to extend that welfare to all our people.

The President of the United States is President of all the people in every section of the country. But this office also holds a special responsibility to the distressed and disinherited, the hungry and the hopeless of this abundant Nation.

It is in pursuit of that special responsibility that I submit this message to you today.

The new program I propose is within our means. Its cost of \$970 million is 1 percent of our national budget—and every dollar I am requesting for this program is already included in the budget I sent to Congress in January.

But we cannot measure its importance by its cost.

For it charts an entirely new course of hope for our people.

We are fully aware that this program will not eliminate all the poverty in America in a few months or a few years. Poverty is deeply rooted and its causes are many.

But this program will show the way to new opportunities for millions of our fellow citizens.

It will provide a lever with which we can begin to open the door to our prosperity for those who have been kept outside.

It will also give us the chance to test our weapons, to try our energy and ideas and imagination for the many battles yet to come. As conditions change, and as experience illuminates our difficulties, we will be prepared to modify our strategy.

And this program is much more than a beginning.



Rather it is a commitment. It is a total commitment by this President, and this Congress, and this Nation, to pursue victory over the most ancient of mankind's enemies.

On many historic occasions the President has requested from Congress the authority to move against forces which were endangering the well-being of our country.

This is such an occasion.

On similar occasions in the past we have often been called upon to wage war against foreign enemies which threatened our freedom. Today we are asked to declare war on a domestic enemy which threatens the strength of our Nation and the welfare of our people.

If we now move forward against this enemy—if we can bring to the challenges of peace the same determination and strength which has brought us victory in war—then this day and this Congress will have won a secure and honorable place in the history of the Nation, and the enduring gratitude of generations of Americans yet to come.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *March 16, 1964.*

## S. 2642

A BILL To mobilize the human and financial resources of the Nation to combat poverty in the United States

*Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Act of 1964."*

### FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

### TITLE I—YOUTH PROGRAMS

#### PART A—JOB CORPS

##### STATEMENT OF PURPOSE

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of youths aged sixteen through twenty-one by providing them in residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

##### ESTABLISHMENT OF JOB CORPS

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").



## JOB CORPS PROGRAM

✓ SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part;

(b) provide education and vocational training to enrollees in the Corps or, where appropriate, arrange for the provision thereof by another Federal agency or by State or local public educational agencies;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

## COMPOSITION OF THE CORPS

SEC. 104. (a) The Corps shall be composed of male individuals who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.).

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

## ALLOWANCES AND MAINTENANCE

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however,* That under such circumstances as the Director may determine, a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month

of satisfactory service may be paid during the period of service of the enrollee directly to a dependent (as that term as defined in section 401 of title 37, United States Code) and any sum so paid shall be supplemented by the payment of an equal amount to the dependent by the Director. In the event of the enrollee's death during the period of his service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

#### APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of works, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c)(1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection—

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee

(i) while he is on authorized leave or pass; or

(ii) while he is absent from his assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.).

(C) The term "injury" as defined in section 40 of the Federal Employees' Compensation Act (5 U.S.C. 790) shall include disease, illness, or injury if it arises out of service in the Corps.

(D) Compensation for disability, including medical care, shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal Tort Claims Act (28 U.S.C. 2671 et seq.).

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for



the support of the Corps shall not be counted in computing strengths under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

## PART B—WORK-TRAINING PROGRAMS

### STATEMENT OF PURPOSE

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed youths, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations will be enabled to carry out programs in the field of conservation and development of natural resources and recreational areas, or other programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided.

### DEVELOPMENT OF PROGRAMS

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

### FINANCIAL ASSISTANCE

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the

type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

#### ENROLLEES IN PROGRAMS

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private non-profit organizations.

#### LIMITATIONS ON FEDERAL ASSISTANCE

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 75 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

#### EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appro-



priated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

## PART C—WORK-STUDY PROGRAMS

### STATEMENT OF PURPOSE

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

### AGREEMENTS FOR PAYMENT OF COMPENSATION

SEC. 122. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 103 of the National Defense Education Act of 1958 (20 U.S.C. 403)) for payment by him of part of the compensation of students employed under work-study programs as hereinafter provided.

### CONDITIONS OF AGREEMENTS

SEC. 123. An agreement entered into pursuant to section 122 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work (1) for the institution itself, or (2) under arrangements satisfactory to the Director, for public agencies or private nonprofit organizations whose activities contribute to the objectives of this Act: *Provided, however,* That no such work shall involve the construction, operation, or maintenance of any facility used or to be used for sectarian instruction or as a place for religious worship.

(b) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

(c) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(d) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments by the Director under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(e) provide for payment by the Director of a portion of the compensation of each student employed under such work-study

program in accordance with the agreement, but not to exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

(f) provide, subject to section 124, that the institution undertakes to act, if so requested by the Director, as his agent for the payment of the Director's share of the student's compensation;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### PAYMENTS TO STUDENTS

SEC. 124. (a) The Director's share of the compensation of a student employed under a work-study program covered by an agreement under this part may be paid directly by him to the student; or it may be paid through the employing institution as paying agent for the Director. If the institution is utilized as paying agent, the Director's share may be paid to the institution in advance or by way of reimbursement, in accordance with regulations prescribed by the Director, and the Director may authorize the institution to combine the Director's share and the remainder of the student's compensation in a single payment to the student.

(b) Regardless of the method of payment under this section, students employed under a work-study program covered by an agreement under this part shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 125. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States and among institutions of higher education within each State. In developing such criteria, he shall consider among other relevant factors the ratios of full-time students in institutions of higher education, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.



## TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

### STATEMENT OF PURPOSE

SEC. 201. The purpose of this title is to provide stimulation and incentive for urban and rural communities to mobilize their resources, public and private, to combat poverty through community action programs.

### COMMUNITY ACTION PROGRAMS

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes, in an attack on poverty, public and private resources of any urban or rural, or combined urban and rural, geographical area (referred to in this title as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicity unit, or multicounty unit;

(2) which provides services, assistance, and other activities of sufficient variety, scope, and size to give promise of progress toward elimination of poverty through developing employment opportunities, improving human performance, motivation, and productivity, and bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups referred to in section 204(a); and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (referred to in this title as a "community action organization") which is broadly representative of the community.

(b) The Director is authorized to prescribe such additional criteria for community action programs as he shall deem appropriate.

### FINANCIAL ASSISTANCE FOR DEVELOPMENT OF COMMUNITY ACTION PROGRAMS

SEC. 203. The Director is authorized to make grants to, or to contract with, community action organizations, or, if he deems it necessary to effectuate the purposes of this title, other appropriate public agencies or private nonprofit organizations, to pay part or all of the costs of development of community action programs.

### FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRATION OF COMMUNITY ACTION PROGRAMS

SEC. 204. (a) The Director is authorized to make grants to, or to contract with, community action organizations or other appropriate public agencies or private nonprofit organizations to pay part or all of the costs of community action programs which have been approved by him pursuant to this title, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this title. Such component programs shall be focused upon the needs of low-income individuals and

families and shall provide, in particular areas or to particular groups in a community, expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith, in the fields of education, employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and other fields which fall within the purposes of this title.

(b) Any elementary or secondary school education program assisted under this section shall be administered by the public educational agency or agencies principally responsible for providing public elementary and secondary education in the area involved. No child shall be denied the benefit of such a program because he is not regularly enrolled in the public schools.

(c) Assistance under this section may be extended for a limited period, even though a community has not completed and put into effect its community action program, if the Director determines that there is a representative group engaged in developing such a program in the community, and that extension of such assistance will further the purposes of this title with respect to such community and will not impede the development and carrying out of a community action program. After June 30, 1965, expenditures under this subsection in any fiscal year shall not exceed 20 per centum of the sums appropriated or allocated for such year to carry out the purposes of this title.

(d) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school drop-out rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(e) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

#### TECHNICAL ASSISTANCE

SEC. 205. The Director is authorized to provide, either directly or through grants or other arrangements, (a) technical assistance to communities in developing, conducting, and administering community action programs, and (b) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.



## RESEARCH, TRAINING, AND DEMONSTRATIONS

SEC. 206. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private nonprofit organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this title. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this title.

## LIMITATIONS ON FEDERAL ASSISTANCE

SEC. 207. (a) Assistance pursuant to sections 203 and 204 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 75 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures and contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

## PARTICIPATION OF STATE AGENCIES

SEC. 208. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this title to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

## EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 209. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this title among the States and between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (a) low-income families, particularly those with children; (b) unemployed persons; (c) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (d) school dropouts; (e) adults with less than an eighth grade education; and (f) persons rejected for military service. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal

year to carry out the purposes of this title shall be used for grants or contracts pursuant to sections 203 and 204 within any one State.

#### PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

SEC. 210. In determining whether to extend assistance under any other title of this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this title.

### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

#### STATEMENT OF PURPOSE

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families.

#### AUTHORITY TO MAKE GRANTS AND LOANS

SEC. 302. (a) The Director is authorized to make—

(1) grants of not to exceed \$1,500 to low-income rural families where, in the judgment of the Director, such grants have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire to improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger than family-sized,

(C) participate in cooperative associations, or

(D) finance nonagricultural enterprises which will enable such families to supplement their income; and

(2) loans to such families, having a maximum maturity of 15 years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, for the purpose set forth in subparagraph (a)(1)(D) of this section.

(b) Grants under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs: *Provided, however,* That nothing herein shall be construed to prevent the making of grants where appropriate in combination with or as supplements to loans made under this program or other Federal programs.

#### FAMILY FARM DEVELOPMENT CORPORATIONS

SEC. 303. (a) The Director is authorized to cooperate with, furnish technical assistance to, and otherwise assist in the organization of public or private nonprofit corporations having as their objective the improvement of the productivity and income of low-income farmers. Such corporations shall be eligible for assistance under this section if they are organized for the purpose of and have the power to acquire real property or any interest therein in rural areas, to develop or reconstitute such real property into units not larger than family farms, including necessary fences, farm buildings, land and water development, and related facilities, and to sell the farms so developed or reconsti-



tuted to low-income farm families at prices equal to their appraised value when used for agricultural purposes and in a manner that the Director determines will further the purposes of this title.

(b) The Director may prescribe such rules and regulations regarding the organization, financial resources, operations, and activities of such corporations as he deems appropriate.

(c) The Director is authorized to purchase the obligations of, or make loans to, such corporations upon such terms and conditions as he may determine subject to the limitations of sections 305 and 306.

(d) The Director is authorized to make grants to such corporations in amounts sufficient to make up the deficiency between the cost of the farms developed or reconstituted by them and the net proceeds received from the sale of such farms at the prices specified in subsection (a).

#### COOPERATIVE ASSOCIATIONS

SEC. 304. The Director is authorized to make loans to local cooperative associations furnishing essential production, processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

#### LIMITATIONS ON ASSISTANCE

SEC. 305. No financial or other assistance shall be provided under this title unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this title, and

(b) in the case of assistance provided pursuant to sections 303 and 304, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

#### LOAN TERMS AND CONDITIONS

SEC. 306. Loans made pursuant to sections 302, 303, and 304 (including obligations purchased pursuant to section 303) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes; and

(e) with respect to loans made pursuant to sections 303 and 304, the loan is repayable within not more than 30 years.

## TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

## STATEMENT OF PURPOSE

SEC. 401. It is the purpose of this title to provide new training and employment opportunities for long-term unemployed persons; to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

## PART A—INCENTIVES FOR EMPLOYMENT OF LONG-TERM UNEMPLOYED PERSONS

## LOANS, PARTICIPATIONS, AND GUARANTIES

SEC. 411. (a) The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans to private borrowers, repayable in not more than twenty-five years, when he determines that such financial assistance will result in stable employment for persons not already employed by the borrower, a majority of whom will be recruited from among the long-term unemployed and members of low-income families.

(b) The amount of any loan, participation, or guaranty made hereunder shall not exceed an amount equal to \$10,000 multiplied by the number of persons to be employed by the borrower as a result of the financial assistance.

## LIMITATIONS ON FINANCIAL ASSISTANCE

SEC. 412. No financial assistance shall be extended pursuant to this part unless—

(a) the Director determines that the assistance will not be used in relocating establishments from one area to another; and

(b) the assistance is extended in accordance with and as part of a community action program approved pursuant to title II of this Act.

## PROVISION FOR LOSSES ON GUARANTEES

SEC. 413. The Director shall make a reasonable provision for possible losses with respect to guaranties under this part, but such provision shall be not less than 15 per centum of the guaranties in force at any time. The amounts so provided and set aside within appropriations shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200).

## LOAN TERMS AND CONDITIONS

SEC. 414. Loans made pursuant to section 411 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;



(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

## PART B—SMALL BUSINESS LOANS

### LOANS, PARTICIPATIONS, AND GUARANTEES

SEC. 421. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$15,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

### COORDINATION WITH COMMUNITY ACTION PROGRAMS

SEC. 422. No financial assistance shall be provided under section 421 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

### FINANCING UNDER SMALL BUSINESS ACT

SEC. 423. Such lending and guarantee functions under this part as may be delegated to the Small Business Administration may be

financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633 (c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

#### LOAN TERMS AND CONDITIONS

SEC. 424. Loans made pursuant to section 421 (including immediate participations in and guarantees of such loans) shall have such terms and conditions as the Director shall determine, subject to the limitations set forth in paragraphs (a) through (e) of section 414.

### TITLE V—FAMILY UNITY THROUGH JOBS

#### STATEMENT OF PURPOSE

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training or basic education available to persons who are unable to support or care for their families.

#### PAYMENTS FOR EXPERIMENTAL, PILOT, AND DEMONSTRATION PROJECTS

SEC. 502. In order to stimulate the adoption by States of programs designed to help unemployed fathers and other members of needy families with children to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

### TITLE VI—ADMINISTRATION AND COORDINATION

#### PART A—ADMINISTRATION

##### OFFICE OF ECONOMIC OPPORTUNITY

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office four Deputy Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 133z-3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and



for its establishment elsewhere in the Executive Branch as he deems appropriate.

(c) Section 103(a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2202(a)) is amended by adding the following clause thereto:

“(6) Director of the Office of Economic Opportunity.”

(d) Section 105 of the Federal Executive Pay Act of 1956 (5 U.S.C. 2204) is amended by adding the following clause thereto:

“(32) Deputy Director of the Office of Economic Opportunity.”

(e) Section 106(a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2205(a)) is amended by adding the following clause thereto:

“(52) Deputy Directors of the Office of Economic Opportunity (3).”

#### AUTHORITY OF DIRECTOR

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof,

any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 321n of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guarantees made by him pursuant to titles III and IV of this Act;

(1) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and

(m) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

#### VOLUNTEERS FOR AMERICA

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request, refer volunteers to perform duties in furtherance of programs of assistance at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health and education needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill and mentally retarded under treatment at nonprofit mental health facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of Federally-operated programs or activities authorized by Titles I and II of this Act.



(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a)(2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a)(2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 107 (b), (c), and (d) of this Act.

#### ECONOMIC OPPORTUNITY COUNCIL

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of anti-poverty efforts by all segments of the Federal Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### NATIONAL ADVISORY COUNCIL

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### REVOLVING FUND

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 701 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under part B of title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

#### REPORTS

SEC. 607. Not later than one hundred twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### DEFINITIONS

SEC. 608. As used in this Act—

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and the term "United States," when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency," unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

### PART B—COORDINATION OF ANTI-POVERTY PROGRAMS

#### COORDINATION

SEC. 611. In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(a) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the anti-poverty efforts of all Federal agencies;

(b) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall

(1) cooperate with the Director in carrying out his duties and responsibilities under this Act, and



(2) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(c) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in subsection (b) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

#### PREFERENCE TO COMMUNITY ACTION PROGRAMS

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to Title II of this Act.

#### INFORMATION CENTER

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### TITLE VII—AUTHORIZATION OF APPROPRIATIONS

SEC. 701. For the purpose of carrying out the provisions of this Act, there are hereby authorized to be appropriated to the Director for the fiscal year ending June 30, 1965, the sum of \$962,500,000, and thereafter such sums as are necessary to carry out this Act, to be available until expended.

[The following section-by-section analysis was prepared by the Office of the Legal Counsel, U. S. Department of Justice]

## ECONOMIC OPPORTUNITY ACT OF 1964

### *Section-by-Section Analysis*

The proposed bill is entitled the "Economic Opportunity Act of 1964."

*Section 2* of the bill declares that it is the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone opportunities for education, training, work, and a life of decency and dignity, and that the purpose of the act is to strengthen, supplement, and coordinate efforts in furtherance of that policy.

### TITLE I—YOUTH PROGRAMS

Title I provides three separate programs for youth—a Job Corps, work-training programs, and work-study programs.

#### PART A—JOB CORPS

*Section 101* declares that the purpose of this part is to increase the employability of youths aged 16 to 21 by providing them in residential centers with education, vocational training, useful work experience, and other appropriate activities.

*Section 102* establishes a Job Corps within the Office of Economic Opportunity created by title VI.

*Section 103* authorizes the Director of the Office to (a) enter into agreements with public or private organizations for the provision of necessary facilities and services; (b) provide education and vocational training to enrollees in the Corps or arrange for their provision by public educational agencies; (c) provide useful work experience; (d) furnish health services; and (e) prescribe rules and regulations to govern the Corps.

*Section 104* provides that the Corps shall be composed of males aged 16 through 21 who are permanent residents of the United States. Participation in the Corps shall not relieve an enrollee of his Selective Service obligations. Enrollment shall be for a maximum of 2 years except as the Director may determine in special cases.

*Section 105* provides for living allowances and maintenance of enrollees. Upon termination of enrollment, each enrollee shall receive a readjustment allowance amounting to not more than \$50 per month for each month of satisfactory participation in the Corps. However, under circumstances determined by the Director, up to \$25 per month of the readjustment allowance may be paid directly to a dependent of an enrollee during his period of service in the Corps, and any such payments shall be matched by the Director.

*Section 106* contains technical material concerning the application to enrollees of provisions of the Internal Revenue Code, Social Security Act, Federal Employees' Compensation Act, and the Federal Tort Claims Act. Personnel of the uniformed services working for



the Corps are not to be counted when computing the authorized strengths of such services or of any grade.

#### PART B—WORK-TRAINING PROGRAMS

*Section 111* declares that the purpose of the part is to provide useful work experience opportunities for unemployed youths through participation in State and community work-training programs.

*Section 112* authorizes the Director to assist and cooperate with State and local public agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities.

*Section 113* authorizes the Director to enter into agreements to pay part or all of the costs of such programs if he determines that they meet the statutory standards. Those standards are: (1) the participants will be employed on publicly owned and operated facilities or projects, or projects sponsored by private nonprofit agencies (except projects involving religious schools and places of worship); (2) the program will increase the employability of participants in fields where job openings are likely to exist, or will enable them to resume or maintain school attendance; (3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or to conservation work; (4) the program will not displace employed persons; (5) appropriate and reasonable compensation and working conditions will be provided; (6) to the maximum extent feasible, the program will be coordinated with local public vocational training and educational services; and (7) the program includes selection standards and procedures. The Director is required to give priority to projects with high training potential.

*Section 114* provides that participation in work-training programs shall be limited to young men and women aged 16 through 21 who are permanent residents of the United States. Participants shall be deemed not to be Federal employees. The section also authorizes the Director to provide for testing, counseling, job development, and referral services to youths.

*Section 115* sets limits on the amount the Director can pay to work-training programs. Payments for the period ending 2 years after the enactment of the act, or June 30, 1966, whichever is later, shall not exceed 90 percent of the costs of such programs, and thereafter shall not exceed 75 percent of such costs, unless the Director determines, pursuant to objective criteria, that greater percentages are required. Non-Federal contributions may be in cash or in kind.

*Section 116* requires the Director to establish criteria to achieve an equitable distribution of assistance among the States, considering among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ percent of the sums appropriated or allocated for any fiscal year to assist work-training programs may be used within any one State.

#### PART C—WORK-STUDY PROGRAMS

*Section 121* declares that the purpose of work-study programs is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and need such earnings to continue their education.

*Section 122* authorizes the Director to enter into agreements with such institutions to pay part of the compensation of students employed under such work-study programs.

*Section 123* requires that such agreements shall provide that (a) a program will be operated by the institution for part-time employment of its students by the institution itself or by public agencies or private nonprofit institutions whose activities contribute to the objectives of the act, except that no work by the students shall involve religious schools or places of worship; (b) such employment shall be furnished only to a full-time student from a low-income family who needs the work to stay in the institution; (c) such employment shall not exceed 15 hours a week while classes are in session; (d) the institution shall continue to expend for student employment an amount not less than its average annual expenditure for such employment during the 3 preceding fiscal years; (e) payments by the Director shall not exceed 90 percent of the total compensation of such students during the period ending 2 years after the enactment of the act, or June 30, 1966, whichever is later, and 75 percent thereafter; (f) the institution will act as the Director's paying agent, if requested; and (g) such work or like work shall be reasonably available to all needy eligible students.

*Section 124* provides that the Director's share of the compensation may be paid directly or through the employing institution. In any event, the students shall be deemed not to be Federal employees.

*Section 125* requires the Director to establish criteria to achieve an equitable distribution of assistance among the States and among institutions of higher education within each State, considering among other relevant factors the ratios of full-time students in institutions of higher education, unemployment, and family income levels. Not more than 12½ percent of the sums appropriated or allocated for any fiscal year to assist work-study programs may be used within any one State.

## TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

*Section 201* declares that the purpose of the title is to provide stimulation and incentive for communities to mobilize their resources to combat poverty through community action programs.

*Section 202* in general defines a "communitiy action program" as one which mobilizes and utilizes, in an attack on poverty, public and private resources of any urban or rural, or combined urban and rural, geographical area (termed a "community") and is conducted by a public or private nonprofit agency broadly representative of the community (termed a "community action organization").

*Section 203* authorizes the Director to make grants or contracts to pay part or all of the costs of development of community action programs.

*Section 204* deals with Federal assistance for the conduct and administration of community action programs. Subsection (a) authorizes the Director to make grants or contracts to pay part or all of the costs of conducting and administering such programs or components of such programs. Such components shall be focused upon the needs of low-income individuals and families and shall be concerned with such fields as education, employment, job training and counseling,



health, vocational rehabilitation, housing, home management, and welfare.

Subsection (b) requires that any assisted elementary or secondary school education program shall be administered by public educational agencies but shall be available to all children regardless of whether they are regularly enrolled in the public schools.

Subsection (c) authorizes assistance for antipoverty activities in a community without a community action program, if a representative group is developing such a program and if such assistance will further the purposes of title II. After June 30, 1965, such assistance in any fiscal year shall not exceed 20 percent of the sums appropriated or allocated to title II for such year.

Subsection (d) lists factors to be considered by the Director in determining whether to extend assistance to a community.

Subsection (e) requires the Director to give special considerations to programs which give promise of effecting a permanent increase in the capacity of those aided to deal with their problems without further assistance.

*Section 205* authorizes the Director to provide technical assistance to communities in developing and administering community action programs and training for specialized personnel.

*Section 206* authorizes the Director to conduct or contract for research, training, and demonstrations pertaining to the purposes of title II, but expenditures for such activities in any fiscal year shall not exceed 15 percent of the sums appropriated or allocated to title II for such year.

*Section 207* sets limits on the amount of Federal assistance that can be extended under sections 203 and 204. Such assistance paid for the period ending 2 years after the enactment of the act, or June 30, 1966, whichever is later, shall not exceed 90 percent of the costs referred to in these sections, and thereafter shall not exceed 75 percent of such costs, unless the Director determines, pursuant to objective criteria, that greater percentages are required. Non-Federal contributions may be in cash or in kind. The non-Federal expenditures or contributions for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources being made for similar purposes before Federal assistance was extended.

*Section 208* requires the Director to establish procedures for effective State participation in community action programs, including the referral of applications for Federal assistance to the Governor for comment. The Director is authorized to reimburse State agencies for their expenses in providing technical assistance relating to community action programs.

*Section 209* requires the Director to establish criteria to achieve an equitable distribution of assistance under title II among the States and between urban and rural areas and sets forth certain factors that are to be considered. Not more than 12½ percent of the sums appropriated or allocated for any fiscal year to title II shall be used for assistance under sections 203 and 204 within any one State.

*Section 210* requires the Director, in extending assistance under other titles of the act, to give preference, to the extent feasible, to programs and projects which are components of an approved community action program.

## TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

*Section 301* declares that the purpose of the title is to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families.

*Section 302* authorizes the Director to make grants and loans to such families. Grants up to \$1,500 may be made where they have a reasonable possibility of effecting a permanent increase in the income of such families by assisting them to acquire or improve real estate, to improve the operation of family-sized farms, to participate in co-operatives, or to finance nonagricultural enterprises to supplement income. Fifteen-year loans up to \$2,500 in the aggregate may also be made for this last purpose.

*Section 303* authorizes the Director to make loans to and otherwise assist corporations if they are organized to acquire real property in rural areas, to develop or reconstitute such property in units not larger than family farms, and to sell such farms to low-income farm families at appraised value for agricultural purposes. *Section 303* also authorizes the Director to make grants sufficient to make up the deficiency between the cost of such farms to the corporation and the net proceeds from their sale.

*Section 304* authorizes loans to cooperative associations furnishing essential services, supplies, or facilities predominantly to low-income rural families.

*Section 305* conditions assistance under the title upon a determination by the Director that such assistance will materially further the purposes of the title and, in the case of a corporation or cooperative, that the applicant will fulfill a need not otherwise being met.

*Section 306* provides that loans under the title shall have such terms and conditions as the Director determines, subject to (a) reasonable assurance of repayment, (b) credit not otherwise being available on reasonable terms, (c) assurance of completion of the project for which the loan is made, (d) interest at a rate determined by the Secretary of the Treasury, plus a possible additional charge to cover costs, and (e) a term of not more than 30 years (except for the 15-year loans provided for in section 302).

## TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

*Section 401* declares that the purpose of the title is to provide new training and employment opportunities for long-term unemployed persons; to assist small business concerns and improve the managerial skills used therein; and to mobilize for these objectives private as well as public managerial skills and resources.

## PART A—INCENTIVES FOR EMPLOYMENT OF LONG-TERM UNEMPLOYED

*Section 411* authorizes the Director to make or guarantee 25-year loans which will result in stable employment for persons not already employed by the borrower, a majority of whom will be recruited from among the long-term unemployed and members of low-income families. Any such loan shall not exceed an amount equal to \$10,000 multiplied by the number of persons to be employed by the borrower as a result of the loan.



*Section 412* limits such assistance to cases where it will not be used to relocate establishments and where it is part of an approved community action program.

*Section 413* requires the Director to make provision for losses on loan guarantees.

*Section 414* provides that such loans and guarantees shall have terms and conditions determined by the Director, subject to (a) reasonable assurance of repayment, (b) financial assistance not otherwise being available on reasonable terms, (c) assurance of completion of the project for which the loan is made, (d) interest calculated in general at a rate determined by the Secretary of the Treasury, plus a possible additional charge to cover costs and (e) the right on loan guarantees to require fees to cover administrative expenses and probable losses.

#### PART B—SMALL BUSINESS LOANS

*Section 421* authorizes the Director to make or guarantee 15-year, \$15,000 loans to small business concerns or to persons seeking to establish such concerns, where such loans will assist in carrying out the purposes of title IV. The Director may require a borrower to participate in a management training program as a condition of a loan.

*Section 422* provides that no assistance may be provided under section 421 in a community with an approved community action program unless consistent with that program.

*Section 423* authorizes any functions under this part which are delegated to the Small Business Administration to be financed through its revolving fund.

*Section 424* provides that loans under this part (including participations and guarantees) shall have such terms and conditions as the Director shall determine, subject to the five limitations set forth in section 414.

#### TITLE V—FAMILY UNITY THROUGH JOBS

*Section 501* declares that the purpose of the title is to expand the opportunities for work, training and basic education for those who are unable to support or care for their families.

*Section 502* provides that in order to stimulate States to adopt programs to help unemployed fathers and other members of needy families with children to secure employment or otherwise attain capability for self-support, the Director is authorized to transfer to the Secretary of Health, Education, and Welfare funds to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315).

#### TITLE VI—ADMINISTRATION AND COORDINATION

##### PART A—ADMINISTRATION

*Section 601* establishes the Office of Economic Opportunity in the Executive Office of the President. After 1 year, the President may provide for the transfer of the Office elsewhere in the executive branch by complying with the procedures of the Reorganization Act of 1949. The Office shall have a Director and four Deputy Directors,

who shall be appointed by the President with the advice and consent of the Senate. The Director shall receive a salary of \$22,500; one Deputy Director shall receive a salary of \$20,500 and the other three a salary of \$20,000.

*Section 602* authorizes the Director to: (a) appoint personnel in accordance with the civil service laws and fix their compensation; (b) employ experts and consultants; (c) appoint and compensate members of advisory committees; (d) with the approval of the President, arrange for other Federal agencies to carry out functions under the act and, as necessary, delegate his powers; (e) utilize, with their consent, the services and facilities of other Federal, State, and local agencies, without reimbursement; (f) accept, use, and dispose of gifts and bequests; (g) accept voluntary services; (h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under the act; (i) disseminate data and information without regard to certain postal restrictions; (j) adopt an official seal; (k) deal with property acquired on loans and guarantees; (l) collect and compromise obligations; and (m) establish policies, prescribe rules and regulations, and generally take such steps as are appropriate to carry out the act.

*Section 603* authorizes the Director to recruit, select, and train volunteers for America. Upon request, he may refer volunteers to work on programs of assistance at a local level. He may assign volunteers to work (a) in meeting the health and education needs of Indians, migratory workers, and residents of certain areas under Federal jurisdiction, (b) in nonprofit mental health facilities assisted by Federal funds, and (c) in federally operated programs or activities under titles I and II of the act. No volunteers may work in any State without the consent of the Governor. The Director may provide to all volunteers during training and to assigned volunteers a stipend up to \$50 a month, together with living allowances and maintenance. Volunteers shall be deemed not to be Federal employees except that all volunteers during training and assigned volunteers shall be deemed Federal employees to the same extent as enrollees in the Job Corps.

*Section 604* establishes an Economic Opportunity Council to consult with and advise the Director on his functions, including that of coordinating all Federal antipoverty efforts. The Council shall include the Director and other appropriate Cabinet officers and agency heads, or delegates thereof.

*Section 605* establishes a National Advisory Council, to consist of the Director and not more than 14 additional members, appointed by the President, to represent the general public and fields of endeavor related to the act. At the Director's request, the Council shall review the operations of the Office and make recommendations.

*Section 606* establishes a revolving fund for loans and guarantees under titles III and IV and contains provisions for its operation.

*Section 607* provides that within 120 days after each fiscal year, the Director shall submit a report for transmittal to the Congress.

*Section 608* defines the terms "State," "United States," and "agency" as used in the act.



## PART B COORDINATION OF ANTIPOVERTY PROGRAMS

*Section 611* contains provisions to insure that all Federal antipoverty programs are carried out in a coordinated manner. Subsection (a) authorizes the Director to call on other Federal agencies for data, reports, and other materials, and to assist the President in coordinating the antipoverty efforts of all Federal agencies. Subsection (b) requires Federal agencies to cooperate with the Director. Subsection (c) authorizes the President to direct that particular programs and functions, including the expenditure of funds, shall be carried out to support programs under the act.

*Section 612* directs each Federal agency head administering any Federal program to give preference to applications for assistance made under an approved community action program.

*Section 613* provides that to insure that information about Federal antipoverty programs is readily available in one place to public officials and others, the Director may collect, prepare, analyze, correlate, and distribute (free or at cost) information concerning such programs.

## TITLE VII AUTHORIZATION OF APPROPRIATIONS

*Section 701* authorizes an appropriation to the Director for fiscal 1965 of \$962,500,000, and thereafter such sums as may be necessary, to be available until expended.

[The following presentation was prepared under the direction of Sargent Shriver, special assistant to the President]

## THE WAR ON POVERTY

A Congressional Presentation, March 17, 1964

### INTRODUCTION

When Americans look at themselves today, they cannot help seeing a reflection of growing affluence and optimism. The image is thrown back from every side.

Their income level is at an all-time high; their purchasing power is vigorous. They drive one or more cars, watch one or more television sets, own one or more telephones. They have added freezers to their refrigerators, automatic dryers to their automatic washers, swimming pools to their backyards, air conditioners to their homes and cars; and they have more time than ever to switch off the appliances and get away from it all. They are coming, in fact, to regard the uses of leisure as a serious problem.

For the average school child, the prospect has never seemed brighter. He knows he can go through high school without having to help support his parents. If he chooses, he can attend a city or community college, or a State university, pursue the course of study he selects, and find his place in the constantly expanding business, scientific, academic, or cultural community in the richest Nation on earth. His children, he feels, will have at least equal opportunities—or better.

This is the image of America that is seen from abroad, and that Americans themselves see—a reflection of the vast progress our economy has made in the past three decades. There is dramatic evidence of this progress in the fact that while the total number of families in the United States increased by 10 million during the last 15 years, the total number of families with income of less than \$3,000 *dropped* by 2.6 million.

But in spite of this, there remains an unseen America, a land of limited opportunity and restricted choice. In it live nearly 10 million families who try to find shelter, feed and clothe their children, stave off disease and malnutrition, and somehow build a better life on less than \$60 a week. Almost two-thirds of these families struggle to get along on less than \$40 a week.

These are the people behind the American looking glass. There are nearly 35 million of them. Being poor is not a choice for these millions; it is a rigid way of life. It is handed down from generation to generation in a cycle of inadequate education, inadequate homes, inadequate jobs, and stunted ambitions. It is a peculiar axiom of poverty that the poor are poor because they earn little, and they also earn little because they are poor. For the rebel who seeks a way out of this closed circle, there is little help. The communities of the poor generally have the poorest schools, the fewest opportunities for training. The poor citizen lacks organization, endures sometimes arbitrary impingement on his rights by courts and law enforcement agencies; cannot make his protest heard or has stopped protesting.



A spirit of defeatism often pervades his life and remains the only legacy for his children.

If the American economy can be compared to a 20-story luxury apartment house where even the ground floor tenants share the comforts, then this one-fifth of our population inhabits a subbasement, out of sight, and almost out of mind.

Thirty years ago, it was simple enough to recognize the poor, on street corners, in doorways, and breadlines everywhere. In 1964, one needs an economic road map to find them. For today's poor are a mixed group. They include—

The children of poverty.

Those bypassed by industrial change.

Rural families.

Minority group members.

Fatherless families.

The aged.

This is not an all-inclusive list. There are some who fit none of these descriptions, and certainly many who do fit them are not poor. But it is safe to say that most of the poor share one or more of these characteristics, and together, they constitute what must be recognized, even by the skeptical, as a stubborn core of poverty in the United States.

### *The children of poverty*

Patterns of poverty are established early in life. Thousands of children grow up in homes where education, ambition, and hope are as scarce as money. Many of these children attend school with little incentive or guidance from home to get them through. They drop out as soon as the law permits, or sooner. Others fail to attend school at all.

By the time such children reach 16, they begin a lifelong drift through a series of low-skill or no-skill jobs that grow increasingly harder to find as automation spreads through business and industry. Some who can't find jobs at all turn to drug addiction, petty crime, then major crime.

But most simply find a niche of minimum usefulness to themselves and society, where they may cling for the rest of their lives. They need opportunities for escape, but first, their attitudes have to be rebuilt, in a sense, from the ground up. For poverty can be a state of mind, and many of these young people feel already defeated.

Another group falls in with this youthful army of the poor who form ranks in city slums and rural backwaters across the Nation. These are children of poor families who grow up with the motivation and the ambition, but not the opportunities. If they get through high school they are unable to find part-time work to help them meet college expenses, or to help them contribute to needed support at home.

There are, in all, 11 million children among the 35 million poor of this Nation. The leading edge of the postwar wave of infants has been reaching the critical 16-to-21 age bracket for the past few years. There are 5.5 million in this bracket now. In a single month last fall, 730,000 of them were unemployed and not registered in schools. By 1970 there will be over 7 million in the 16-to-21 group, and unless the trend is reversed the number of youths not working and not attending schools can be expected to total well over a million.

*The bypassed*

Unparalleled technical advances in America have brought to most of our labor force and their families a standard of living undreamed of 30 years ago. But for a considerable minority it has brought considerably less.

There are thousands who are simply bypassed by modern technological advances. They are unable to secure regular employment in an economy which increasingly creates jobs beyond their meager skills and education.

There is also the semiskilled or unskilled worker, suddenly displaced from his job as the plant relocates, or as the machine takes over, who faces weeks or months of unemployment, or a forced retirement. Following a plant closing in Trenton in October 1961, 1,900 employees—almost two-thirds of the work force—were still unemployed and looking for work 9 months later. In Sioux City, Iowa, 40 percent of the former employees remained unemployed 6 months after the June 1963 closing of their plant. In Iron City, Wis., a mine closed in August of 1962, leaving about 40 percent of the miners still looking for work 9 months later. In Fargo, N. Dak., a third of the former employees were still unemployed a year after their plant closed.

Some of these workers, who have nontransferable skills or are "too old" at 40 or 50 to be reabsorbed, are unable to get regular jobs or, in many cases, any work at all. They find themselves in a downward spiral that pulls their children down with them. Still others, somewhat luckier, are able to find steady work, but in low-pay occupations and industries, at wage rates which are insufficient to keep the family out of the grip of poverty.

Millions of workers inhabit this economic underworld of the bypassed.

*The rural poor*

Our technological upheaval has cast off another luckless group—the small farmer and the surrounding community which depends on his solvency. Some farmers have ridden the tides of our economic growth to unprecedented farm income levels. But many more, caught between falling agricultural prices and soaring investment costs, have found themselves in a trap that appears to offer no escape except perhaps to an unpromising new life in an urban slum.

One and a half million rural farm families live on less than \$250 a month; 2.8 million other rural families in nonfarm occupations struggle along at the same income level. Over a million of these rural families must somehow stretch \$80 a month to cover their needs. For the children of these families, without shoes or clothes for school, without money for school supplies or lunches, even primary education becomes a luxury. Nearly half a million of these rural youths between the ages of 14 and 24 have completed no more than sixth grade. Their horizons thus stop at the edge of a few acres of exhausted land.

Nowhere is the irony of the poor being furnished with the poorest services more poignant than in the rural areas. Here are found the one-room schoolhouse held together by a single overburdened teacher, the families too isolated to avail themselves of health services, the homesteads unable to apply the benefits of agricultural research.

Many rural farm families find that even a semibarren piece of land offers them more certitude than the prospect of a new life in a strange



environment. With limited education or skills, or failing health, they have no choice but to squeeze some sustenance from the land they know.

Others have already joined the vanguard of an unhappy exodus, a growing legion of unskilled, uneducated workers who come to the city in search of something they may not find: better opportunities. Often they find they have accomplished nothing but a relocation of their poverty.

### *The minority poor*

There is a substantial segment of the poor in this country who need not puzzle over the complicated economics of poverty. They are the minority group poor. For them the equations are simpler. They are hired last, paid less, and fired first. They work mainly in the low-pay occupations, and in those, get lower pay than their white counterparts. The Negro college graduate can expect to earn only as much income as the white worker who never went beyond the eighth grade; in comparable occupations, the white man can expect to earn almost 50 percent more in his lifetime than the Negro and the Puerto Rican, almost one-third more than the Spanish-speaking American.

Eight million Negroes—nearly half the total Negro population in the United States—are poor. A third of the Negro population lives in southern cities, one-fourth on southern farms, and the balance largely in the northern cities. In both the North and the South the Negro faces the same problem: in relation to his white counterpart, he is falling further and further behind. During the fifties the average income of the Negro male improved substantially. For every dollar he earned in 1949, he earned \$1.75 in 1959. But the white man running ahead of him ran a little faster. While the Negro was earning \$1 in 1949, his white counterpart earned \$1.90; in 1959, every time the Negro earned \$1.75 the white man earned \$3.20.

In 24 of the 26 States with large Negro populations, the Negro's share of per capita income fell; and in some of these States the gap between white and Negro income widened dramatically. In Michigan in 1949, when the equalizing effect of World War II was still being felt, the Negro earned 87 percent as much as the white. Ten years later he earned only 75 percent as much. In North Carolina his comparative earnings fell from 54 percent of his white counterpart's to 43 percent; in Tennessee, from 68 to 56 percent; in Arkansas, from 53 to 39 percent.

Nearly a million Puerto Ricans live in the United States today, primarily in Metropolitan New York City. Fifty-three percent of New York's Puerto Ricans earned less than \$4,000 in 1959, only 8 percent earned more than \$8,000. Three-quarters of them never entered high school. Moreover, the primary and junior high schools in Puerto Rican neighborhoods tend to be more crowded and less equipped than the average city school.

In the Southwestern United States live 3½ million Spanish-speaking Americans. Not only does the Spanish-American face the burdens of prejudice and inadequate education; like the Puerto Rican, he also faces a language barrier, and moreover a peculiar structure of laws, both Federal and local, which tend to isolate him even more from the opportunities of the community.

Among the poverty-stricken minorities, the American Indian is perhaps the hardest hit. Of the 550,000 American Indians, 380,000 live on or near reservations, most of them in poor circumstances. Their average family income is only a quarter to a third of the national average. Their average educational level is only half as high as the national average. And though they are American-born, go to American schools, and have received special attention from the Federal Government, social and economic barriers continue to pen them up in islands of poverty.

### *The fatherless families*

Death, divorce, and disability often leave the same barren legacy. There are 2.3 million fatherless families in America who have inherited nothing but the father's poverty. Many of them were poor while the father was still present; some are poor because the father is disabled, or deserted or died; and some are fatherless because they are poor. Low income families often live with far more strains—financial, physical, and moral—than comfortable families, and these strains may reach the point where the father unshoulders his burden by deserting.

With a crushing responsibility suddenly thrust upon her, the mother is often too ill equipped to carry it. Frequently the presence of young children forces her to remain at home. Even if adequate day care arrangements can be made, or if the children are older, the mother may lack education, training, or experience needed to get an adequate job.

Only 16 percent of the mothers of families receiving public assistance have completed high school; less than 10 percent have had experience in office or sales work or in related occupations, as against 40 percent of mothers not on welfare. Most of these mothers of fatherless families have had experience chiefly as domestics, service workers, and unskilled laborers.

The likelihood that such mothers will find employment which will furnish the stability and income so sorely needed in the absence of an able, breadwinning father up to now has been remote. Only half the fatherless families in the Nation are above the poverty line.

### *The aged*

Living in the United States are 6.8 million heads of families who are over 65. Half of them have incomes of less than \$3,000 a year, and half of these support their families on less than \$1,000 a year.

Many of the aged are ending in poverty because they began in poverty. Their income throughout their working lives was never sufficient to provide that margin of savings which affords independence and dignity after retirement.

The majority of all the aged are covered by social security. But nearly two-thirds of the poorest aged—those living alone and earning less than \$1,000 a year—are not covered by social security.

The great medical advances which continually discover new ways to prolong life have assured a steady growth in the number of aged persons in our society, and accordingly a growth in the problems of the aged. During the last 15 years the number of aged heads of families increased 37 percent. It is estimated that by 1980 there will be 9 million persons over 75 in this country and if the present pattern



is allowed to continue, many millions of them will be living in stark poverty.

### *The cost of poverty*

These are the six groups from whom the community of poverty is largely drawn. Collectively the poor make up only a minority of the American population. But the costs of their poverty are shared by all Americans.

Two-thirds of poor families have an average annual income of \$2,000 or less. If this could be raised to just over \$3,000—above the poverty line—their total income would be \$7 billion higher. Looked at in another way, if we could increase the average production of even 10 million earners among the poor enough to lift their earnings a modest \$1,000 a year, the Nation would gain \$14 billion of added annual output. This would mean fresh stimulus pouring into the national economy and, at the same time, a reduction of outlay for public assistance and social services which the poor receive.

If the governmental public assistance commitments could be cut by one-fourth, it could reduce the tax burden by \$1 billion. And as the community of the poor diminishes, there is accordingly less need for the expansion of police, fire, and public health departments which function so busily among the poor. These services cost the Nation \$8 billion annually. A 10 percent reduction in this cost, or almost \$1 billion a year, is a plausible estimate of the savings that could be effected by the elimination of poverty communities.

Even apart from the moral obligation to help the poor, there is this clear dollars and cents justification for a revitalized and redirected attack on poverty. Moreover, if we raise the poor above the poverty line, all of us will benefit from their new capacity to integrate themselves into the constructive purposes of the Nation.

Clearly, much is already being done, through the efforts of Federal, State, and local governments, through religious organizations, charitable fund-raising drives, and foundations. But the castoffs, the rural poor, the racial poor, the fatherless families, and the aged have been falling further and further behind. As our wealth has grown, a dwindling portion of it has accrued to the bottom 20 percent of our income-earners during the last decade. The ratio of nonwhite to white income, which grew rapidly from 41 percent to 54 percent under the economic stimulus of World War II, continued to improve slowly and erratically during the fifties, but now has fallen back almost to the 1947 level. And during the last decade, while professional and managerial workers increased their income by over 150 percent, service workers and nonfarm laborers improved their lot by only 74 percent.

Thus the gulf between the affluent and the poor widens; and the poor—presently one-fifth of our Nation—grow less and less visible to the rest of us.

### *The foundations of the poverty program*

The war on poverty is the oldest war in history. It is a war which cannot be won quickly—but it can be won decisively, through a concerted Federal, State, and local effort to eliminate the conditions and causes of impoverishment.

Two factors are absolutely prerequisite to success in this effort:

Our economy must remain strong and continue to develop; thereby providing maximum employment at optimum pay.

The last barriers to this maximum employment, barriers which seal off so many of our citizens from the opportunities available to the majority must be overthrown.

Already we have the broad base of the recently enacted tax cut, education and training programs, housing, welfare, and social security measures, from which to press an all-out war on an age-old enemy. In the period since 1961, such measures as the Area Redevelopment Act, the Manpower Development and Training Act, and the Vocational Education Act, have strengthened our hand.

Already we are able to visualize, on the near horizon, an America without poverty. One-fifth of the Nation—the present domain of the poor—can be reduced to one-tenth, and then to zero.

This is the first nation in history to have total victory over poverty within its power. It has greater wealth, income, technical know-how, and productive capacity than any before it. We have demonstrated our capacity to direct these resources to whatever goals we set ourselves, and to achieve them.

The goal of the program set forth in the pages that follow is the launching of this final battle against poverty.

It is a program which will—

Stimulate our communities to initiate comprehensive action programs attacking the roots of poverty.

Expand the opportunities for our youth to gain the education, skills, and experience they must have to become full participants in our Nation's life.

Help farmers to increase their income through a program of small capital loans and grants.

Provide new employment opportunities for the long-term unemployed by encouraging capital investment, and new opportunities for small entrepreneurs by making credit available.

Encourage more States to orient their programs of public assistance toward rehabilitation rather than support.

Recruit and train volunteers to work with agencies carrying out the various programs.

In short, it is a program which can open for the young, the opportunity to learn; for the able bodied, the opportunity to work; and for all, the opportunity to live in decency and dignity.

#### YOUTH—SALVAGING A VITAL RESOURCE

In October of 1963, there were 730,000 young men and women between the ages of 16 and 21 who were both out of school and out of work. This figure had increased 22 percent in a 1-year period. But this unemployment figure for a specific week in October does not tell the whole story. Many others are employed only in low-paying, dead-end jobs which are beneath their potential abilities. A conservative estimate is that there are almost 1 million young people in this country today who are desperately in need of training and guidance to develop these abilities. Left to itself, the problem will multiply. Last year the total teenage labor force, including half a million young people in the Armed Forces, numbered 5.6



million. Next year it will be 6.6 million. By 1970, it will be 7.2 million. If the current trends continue, in 5 years we will have almost one and a half million unemployed youth—without adequate education or training, without jobs, and without a future.

This trend must be reversed. And it can be reversed, by attacking the tight circle of poverty at its weakest point—among its young victims, whose creative energies and dreams may still be salvaged from the growing rubble of their lives.

The proposed legislation includes three different programs aimed at the attitudes and economics of the young. The first of these is a voluntary Job Corps, with camp-based programs of education and vocational training or conservation work for young men who are poorly adjusted to their homes and work. These young men cannot be helped best in programs located within their own communities. Some are in the migrant labor stream—at home nowhere. Others are outside the range of communities where adequate resources and concern exist. Still others come from impoverished rural areas and remote mountain hollows, or from city slums which have taught them only hostility to their environment. These young people must come a long way; the spark of motivation is not likely to be ignited in the same communities which have so long stifled it.

The other proposals are a work-training program, which will offer productive employment and training to those who can benefit from it in their home environments, and a work-study program, designed to enable young men and women to continue their education at the college level.

### *Sources and selection*

One of the obstacles facing any program of assistance for the young is the problem of identifying those who need help. Nobody knows who they are. They drop out of sight as well as out of school. There is no community in this country which can say with certainty which of its young people who have left school are unable to find or keep jobs. Statistics are based on small samples, and the names are not recorded.

It will therefore be necessary to rely on many sources for the recruitment of volunteer participants in the youth programs. These will include U.S. Employment Service office referral of job applicants, school referral of dropouts, and Armed Forces Examining Center referral of registrants who fail the mental achievement test, as well as boys' clubs, churches, other public and private agencies, and public information programs.

The 1,900 local U.S. Employment Service offices of the Department of Labor, supplemented by youth guidance centers, will serve as the primary selection points. Applicants who have not been given the Armed Forces examination will be given physical and mental achievement tests comparable to those given by the selective service, interviews, and counseling. Each applicant will be counseled as to how he can best benefit from the programs available. This will include those whose home and community life is such that they can profit from participation in the work-training program, those for whom camp experience through the Job Corps is a desirable choice, and those for whom an existing program, such as the Manpower Development and Training Act, a regular job, return to school, or

further counseling is the best course. Mentally retarded or emotionally unstable youths and narcotics addicts will be referred to appropriate existing rehabilitation facilities.

It is currently estimated that during its first year of operation, the Job Corps may be able to reach as many as 30,000 to 40,000 young men, half of whom will be in conservation camps of 100 to 200. It is anticipated that approximately 6,000 will be enrolled by the end of September 1964, and that the Corps can be built up at a rate of about 3,800 per month to the first-year total of 40,000. The work-training program will be able to enroll approximately 200,000 young men and women, and the work-study program some 140,000 in the first year.

#### JOB CORPS

The Job Corps will consist of conservation camps and training centers. The most important aspect of the experience for the enrollees will be their development as self-respecting individuals who are ready for a job or for more intensive education and skill development. In conservation camps, young men with problems of attitude and resistance to learning will be given basic skills training, as well as reading, writing, and arithmetic. The training centers will offer more intensive and advanced education and training to young men who are ready for this experience. In the long run, it is anticipated that many youths will be coming to the training centers as conservation camp "graduates." Enrollment in both types of camp will be strictly voluntary. It will normally be limited to a period of less than 2 years. Although the details of operation require further study, the following reflects current thinking on the subject:

##### *A. Conservation camps*

It is the task of the conservation camps to do far more than provide basic education, skill training, and work experience; they must change indifference to interest, ignorance to awareness, resignation to ambition, and an attitude of withdrawal to one of participation. In order to achieve this, the camps must provide a series of living, working, training, counseling, and recreational experiences, and a sense of belonging which the homes and neighborhoods rarely supplied.

##### *The work component*

Work in conservation camps will be undertaken in small supervised groups with an adult supervisor, and will be designed to give enrollees a sense of participation, self-confidence, and pride of accomplishment, as well as to give them certain basic skills. They will work under experienced members of Federal conservation agencies—such as forest and park rangers, or members of the Bureau of Indian Affairs, Land Management, Reclamation, or Sports Fisheries and Wildlife—in projects which can accomplish long-needed conservation work and recreation development on public lands.

The young men who are members of conservation camps will work in carpentry and masonry; with bulldozers, axes, and shovels; and in the kitchens, offices, and maintenance shops of the camps. They will learn to use basic tools, to plan and organize work, to follow instructions, to lead and to follow.



The following list summarizes some of the types of work which may be undertaken by members of conservation camps and the types of basic skills which will be developed as a result:

| Type                              | Work experiences                                                                                                                  |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Soil and water development.....   | Equipment operation.<br>Basic horticulture.<br>Basic surveying.<br>Basic engineering.                                             |
| Timber stand improvement.....     | Forestry technician skills.                                                                                                       |
| Range resource development.....   | Weed and pest control.<br>Farm skills.<br>Fencing construction.                                                                   |
| Recreation facilities.....        | Basic carpentry.<br>Basic masonry.<br>Machine and equipment operation.                                                            |
| Wildlife habitat improvement..... | Wildlife aid skills.<br>Forestry aid skills.                                                                                      |
| Insect and disease.....           | Elementary entomology.                                                                                                            |
| Fire protection.....              | Basic surveying.<br>Truck driving.<br>Specialized equipment operation.<br>Fire control aid skills.<br>Fire prevention aid skills. |
| Road and trail development.....   | Basic surveying.<br>Basic engineering.<br>Equipment operation.<br>Equipment maintenance.                                          |
| Boundary surveys and marking..... | Basic surveying.                                                                                                                  |
| Miscellaneous.....                | Cooking.<br>Typing.<br>Recordkeeping.                                                                                             |

Whenever possible, the young men in the camps will be placed in work groups on the basis of their skills and aptitudes as well as the particular job to be done, in order to provide a variety of work skills and situations and to enable counselors to assess the potential of each youth for future placement.

#### *The education component*

The education program in conservation camps will be designed to meet the needs of young men who are so lacking in basic academic skills that they cannot undertake vocational training. (A fifth- to sixth-grade literacy equivalency is considered necessary to profit from vocational training. An analysis of Selective Service System rejectees indicates that over half of those who fail to meet mental achievement requirements will be below this level.) Reading, writing, arithmetic, and speech will be taught, and minimum levels to be obtained are as follows:

*Reading.*—An ability to read and comprehend at mean seventh-grade level.

*Writing.*—An ability to complete, clearly and legible, application and other employment forms, to write simple letters of inquiry, and to make out orders.

*Arithmetic.*—An understanding and mastery of the four basic skills (addition, subtraction, multiplication, and division), common and decimal fractions, reading of scales, units of measurement.

*Speaking.*—An ability to be understood in employment and other conventional situations, and to understand directions.

To reach these goals, new instructional materials designed especially for the purpose will be developed. But the education component of the program cannot wait. The availability of current materials will

be reviewed by the Office of Education, and those determined to be best suited will be used. Continuing evaluation of the camps' programs will provide guidance for the development of new materials.

Group discussions, films, individual counseling, and specially selected readings will be used to instill in the young men an understanding of their role as citizens and workers. The same techniques will be used to teach the fundamentals of personal health and hygiene.

Camp recreation will include hobbies and sports, designed to teach the value of learning to play by the rules and to exercise self-discipline. The emphasis will be placed on participation rather than on observance. In addition, specific all-camp activities will be held on a regular basis; singing, a camp newspaper, and amateur dramatics will be used to promote the overall purpose of the program; and a system of recognition and awards for achievement will be created.

Other aspects of camp life will also be designed to improve the attitudes of the young men involved. A typical camp might have some 5 to 10 cabins of 20 young men each, with 1 adult resident and 2 youth assistants in every cabin. This responsibility will be rotated regularly, so that each may have a chance to lead. In addition, each cabin group will elect one representative to a camp council, designed to instill an appreciation of democratic principles.

The unifying force in the life of the camp will be a counseling program, dealing with every aspect of the experience—living, work, education, and recreation. At the end of each young man's tour, the counselors will have the major responsibility for guiding him to placement opportunities or further vocational training through the U.S. Employment Service.

### *Staff*

Each camp will have a director, who will have overall responsibility for the camp. In addition, for every 100 young men, there will be an educational and counseling staff of 4, responsible to the Deputy Director for the Job Corps through the camp director. Three of these four will be basic education teachers, and one a health and recreation teacher. Since work projects will be undertaken in small groups, each 100 enrollees will require 7 to 10 work supervisors from the staff of the conservation agency concerned. A maintenance and support staff of about five is envisaged.

The 800 education and counseling staff members required the first year will be recruited from many sources, including college placement offices, retired people, and volunteers throughout the country. These teachers will undergo a special intensive training course, currently planned to take about 4 weeks, which will prepare them for their work in the camps.

### *B. Training centers*

Life in the training centers will be similar in many ways to life in the conservation camps, with several important differences. The centers themselves will be considerably larger, ranging in size from 500 to 5,000 enrollees, which will call for different plans for handling groups. The major emphasis of the training centers can be on vocational training and basic educational improvement in preparation for permanent employment. Although high skill levels in particular vocations will not be achieved in most cases, the program will develop work habits and an attitude toward learning which will enable the



young men involved to profit from more advanced education or work experience outside the centers.

### *The training component*

Vocational training and basic education will consume most of the day in a training center. The courses to be taught are those for which the occupational outlook is good, for which the entering skills are within the capability of the young men in the program, and which can be taught within the framework of the existing facilities.

The skills to be taught may vary from center to center, and within each occupational group, trades requiring several levels of ability may be taught. For example, in a single center some young men might be trained as calculating machine operators, others as appliance repairmen, still others as clerks.

Along with other types of facilities, unoccupied or underutilized military camps will be used for this program, under an arrangement with the Department of Defense. To the extent possible, each occupational group will be placed at a facility which is particularly suitable. For example, an automotive center might be situated in a former armored division camp which has extensive automotive facilities; a maritime and fishing trades center might be housed in a navy yard, and a machinery center might be established at an unused Army arsenal.

Basic education courses will also be given in the training centers, since the academic achievement level of many of the young men involved will not be adequate for them to get and keep jobs. The goals of the basic education component in the training centers will be the same as those in the conservation camps, but less time—about 2 hours a day—will be allotted for daily instruction.

### *Other components*

Health training, recreation, and counseling will also play an important role in the life of the training center. The young men will be housed in barracks of approximately 200 each, under the direction of an adult leader, with 1 youth assistant for every 25 youths. Physical fitness and recreation programs will be organized by barracks groups.

### *Staff*

It is estimated that a training center enrollment of 20,000 will require some 3,000 staff personnel, including basic education teachers, vocational teachers, health-recreation instructors, and administrative and support personnel.

### *C. General*

Participation in the Job Corps will be on a purely voluntary basis, and members will be free to resign if they choose. It is hoped, however, that the benefits of successful participation and completion of camp training will be clear enough to the members so that resignations will be minimized. The ultimate reward will be the significant broadening of a young man's horizons. The Job Corps "diploma"—identifying specific levels of educational and occupational accomplishment—will open new doors to job and occupational opportunities. Other rewards for successful participation will include assignment of leadership roles involving an increase in pay, special privileges, and opportunities for more favorable class and work assignments.

Disciplinary measures, including expulsion from the Corps, will also be applied when necessary.

Members of the Job Corps will receive a living allowance which will range from about \$30 to \$50 a month, depending upon the location of the camp and the services which are provided directly. An additional sum will be paid for assigned leadership duties, and upon termination of his enrollment in the Corps, each member will receive a separation payment of \$50 for each month of satisfactory participation. He may allot up to \$25 of this money to a dependent, and if he does, his contribution will be matched by the Office of Economic Opportunity.

*Budget estimate*

[In millions of dollars]

|                                                                             |       |
|-----------------------------------------------------------------------------|-------|
| I. Initial investment costs                                                 | \$65  |
| Training center preparation, 20,000, at \$500 per man                       | 10    |
| Conservation camp construction, 20,000, at \$1,500 per man                  | 30    |
| Preparation of facilities for expanded program in fiscal year 1966          | 25    |
| II. Operating costs                                                         | 101   |
| Examination and processing, 350,000, at \$20                                | 7     |
| Operation and maintenance of facilities, 20,000 man-years, at \$1,500       | 30    |
| Administration, education, and training costs, 20,000 man-years, at \$1,500 | 30    |
| Individual costs:                                                           |       |
| Clothing and equipment                                                      | \$195 |
| Subsistence                                                                 | 575   |
| Travel                                                                      | 150   |
| Pay, allowance                                                              | 780   |
| 20,000 man-years at                                                         | 1,700 |
| III. Costs of guidance centers                                              | 25    |
| IV. Total                                                                   | 191   |

WORK-TRAINING PROGRAM

Until recently, most young men and women—whether or not they had not completed high school—could find early work experience in the unskilled jobs which abounded throughout the economy. Today, however, even as the number of young people entering the job market is increasing rapidly, the number of unskilled beginning jobs is declining. Automation, mechanization, and other scientific and technological advances have eliminated and will continue to eliminate many of the unskilled jobs which formerly served as the young person's entry into the world of work. The jobs of today and tomorrow require higher motivation, more maturity, greater judgment, and broader experience than are possessed by the thousands of actual and potential school dropouts aged 16-21 who need employment.

The work-training program, which will be administered by the Department of Labor, will provide productive full- or part-time work experience and training in State and community public service jobs to these young people. It will thus increase their employability, and, whenever possible, it will encourage them to continue or resume their education. Unlike the Job Corps, it will be open to women as well as to men.

The cornerstone of the work-training program is local initiative and control. Any agency of a State or local government, including



Indian tribal groups, or an approved private nonprofit organization may develop and conduct work projects. Such projects might place young people in work assignments in hospitals, settlement houses, schools, libraries, courts, children's homes, parks, playgrounds, public and private welfare agencies, and so on. Jobs might include, to suggest only a few, such diverse tasks as—

Nurses' aides and hospital orderlies in clinics and health centers.

Filing clerks, typists, and office machine operators in settlement houses and other welfare agencies.

Cooks' assistants, dieticians' assistants, and waitresses in schools and hospitals.

Building maintenance and landscape assistants in parks and recreation facilities.

Mechanics' helpers in police and county garages.

Switchboard operators and receptionists in neighborhood centers and homes for the aged.

Electricians' assistants and painters' helpers in city and county buildings.

The possibilities for projects and jobs are limited only by local resourcefulness and imagination, and by several basic criteria established in the act. These require that—

(1) Projects must increase the employability of the young men and women involved by providing work experience and training in jobs in which there is a reasonable expectation of employment or by enabling students to continue or resume their education.

(2) Projects must contribute to an undertaking in the public interest which will not otherwise be provided or which will contribute to conservation of State or local natural resources or the protection of recreation areas.

(3) The work done by enrollees in the program must not result in the displacement of employed workers or impair existing contracts for services.

(4) The rates of pay and other conditions of employment of the young people involved must be appropriate in view of such factors as the type of work performed, the level of skill involved, and the locality where the project is situated.

(5) Projects must be coordinated, as far as possible, with vocational training and educational services so that the special needs of the enrollees may be met by State or local school authorities.

(6) Projects must include standards and procedures for the selection of applicants which will include assurances that they are encouraged to continue or resume school attendance, if that is appropriate to their needs.

The types of sponsorship and the types of projects will vary widely. The work programs can include any combination of full- or part-time, employment. One project might involve only full-time employment including an element of on-the-job training, while another might have only part-time employment, a work-study combination, or any other work program which addresses the needs of the unemployed youth whom this program is designed to help.

One type of work-training program might be undertaken on a city-wide basis under the auspices of the mayor's office, while another might be run by a public institution such as a hospital, and still a third might be run by a settlement house or another type of private nonprofit organization.

### *Budget*

The annual unit cost per enrollee is estimated to be \$2,640 for full-time work, \$1,375 for half-time work, and \$735 for quarter-time work broken down as follows:

|                                                                                         | Full time | Half time | Quarter time |
|-----------------------------------------------------------------------------------------|-----------|-----------|--------------|
| Compensation and benefits.....                                                          | \$2,080   | \$1,040   | \$520        |
| Physical examination.....                                                               | 25        | 25        | 25           |
| General administration:                                                                 |           |           |              |
| Local employment service, counseling, testing, placement,<br>etc., 10 hours at \$3..... | 30        | 30        | 30           |
| State employment service administration.....                                            | 10        | 10        | 10           |
| Labor Department administration.....                                                    | 30        | 30        | 30           |
| On-the-job supervision.....                                                             | 420       | 210       | 105          |
| User agency overhead.....                                                               | 20        | 10        | 5            |
| Miscellaneous.....                                                                      | 25        | 20        | 10           |
| Total.....                                                                              | 2,640     | 1,375     | 735          |

It is estimated that the work-training program will provide employment of 200,000 young men and women, of whom 30,000 would be working full time, 60,000 half time, and 110,000 either quarter time throughout the year or full time during the summer months. Ninety percent of the total cost of such a program, or approximately \$219 million for a full year, would be paid by the Federal Government during the first year of the program. During the first year, however, phasing in of enrollees is expected to involve an average period of enrollment of about 8 months, which will involve a total Federal cost of \$150 million.

### WORK-STUDY PROGRAM

Under the standards of financial need most commonly used by this country's colleges, families with incomes of \$3,000 or less cannot be expected to make any contribution for the college education of their children. In fact, even at the \$4,000 bracket, the contribution expected from a family with two or more children is extremely small. Students coming from such families must be self-supporting while in college. And the need of these students is so great relative to their capacity to pay that institutions of higher learning are usually able to provide only for the extremely bright student, the boy or girl in the top 2 or 3 percent of a high school graduating class. A recent study conducted by the University of Pittsburgh indicates that children from families with less than \$3,000 annual income have the poorest chance of entering college, at all ability levels below the very top 2 percent.

The proposed college work-study program, which will be administered by the Department of Health, Education, and Welfare, will provide a financial base for the able, but extremely needy, student to which can be added a loan or a limited scholarship grant. As a result of this program, the present levels of student employment are expected to be increased by 140,000 to 150,000 a year or over



30 percent. In addition to enabling a wider range of students to attend college through financial assistance, the program will sharply reduce the heavy debt load that often weighs on the student who is least able to bear it.

In order to avoid a program which will be detrimental to a student's academic work, however, the legislation provides that no student may be employed under the work-study program for more than 15 hours a week while classes in which he is enrolled are in session. Comparative studies at the University of Denver, the University of Southern Illinois, and Harvard on the academic achievement of students working part time compared with nonworking students all have concluded that the academic records of students who work part time for a limited period of hours are as good as or better than the records of students who do not work at all.

The Secretary of Health, Education, and Welfare will establish criteria for fund distribution among colleges and universities. This will provide for concentration of work-study funds in institutions which serve poverty stricken areas or which enroll student populations drawn from extremely low-income families. These include both rural institutions and large public and private universities serving metropolitan areas.

On-campus work under this program will include both the service-type job which requires no specialized training—such as dormitory and plant maintenance, food service, clerical and stenographic work, and the like—and jobs in somewhat more sophisticated areas which do require some degree of training or skill development—such as work with a university press, computer programing, materials cataloguing, and library work. At the University of Southern Illinois, student employees hold part-time jobs as bus drivers, cafeteria workers, and work in other service categories. In the technical and supervisory groups are printers, surveyors, accountants, junior counselors, radio technicians, and senior stenographers—students of advanced or upper division standing with higher degrees of skills.

Another advantage of the work-study program will be that it will stimulate colleges to specify and define new jobs in addition to the pattern of student employment now offered.

There are a number of off-campus jobs in health, welfare, recreation, and similar social service work which hold immediate promise of job expansion through a college or university work-study arrangement. A case in point are teacher aid and tutorial assistant jobs, in which students work either directly as teacher assistants, or as tutors with small groups of students having difficulty in a specific subject area. In most cases, community agencies involved in this work have had to depend upon voluntary assistance from the colleges. A much more satisfactory approach would be the provision of part-time student employees who are actually assigned to responsibilities appropriate to their interests and capabilities. In this way, the college or university can help meet the financial needs of the student; the student can gain valuable work experience; and the community can gain a talented and highly motivated group of students for a variety of service jobs.

Because of the limited resources traditionally available to colleges for student employment, the expansion of off-campus jobs has been extremely slow. But just as the National Defense Education Act stimulated student borrowing to meet college expenses, so the work-study program will give great impetus to this expansion. Furthermore, students from these college work-study programs will make invaluable part-time instructors, aids and workers in the community action programs, job corps and other activities that develop under the proposed legislation. These students will have come from financially depressed backgrounds and they will therefore have a special understanding of the problems faced by youth enrolled in these programs. Their contributions will be particularly significant also because these same students, as mature upperclassmen will represent positive proof that educational attainment can break the cycle of poverty.

### *Budget*

It is estimated that the average earning of an undergraduate during the first year of the work-study program will be approximately \$500, of which the Federal Government will pay 90 percent or \$450, and the comparable figure for a graduate student will be \$1,000, of which the Federal Government will pay \$900. It is estimated that approximately 145,000 students—130,000 of them undergraduates could benefit during the first year, at a total cost of about \$71.7 million. An additional \$800,000 will be required for the costs to the Department of Health, Education, and Welfare of administering the program, leading to a total cost of \$72.5 million.

### CONCLUSION

As a result of all these programs, the Office of Economic Opportunity is expected to reach almost 400,000 young people in its first year alone. For these young men and women, the experience derived and lessons learned from participation in the Job Corps, the work-training program, or the work-study program may well spell the difference between futility and usefulness, between a continuing circle of poverty and a pyramid of opportunities for themselves and their children.

### COMMUNITY ACTION PROGRAMS

A youth employment center opened in Boston in November 1963. Within 4 months, it had helped 400 young people to find jobs. Three out of four of those placed came from families receiving relief. Most would otherwise have been unemployed high school dropouts.

In the Southwest, 35 Zuni Indians were given 24 weeks of electronics training. Within 12 days after the course, all were employed at wages averaging twice the 97 cents an hour they earned previously.

In a St. Paul high school, a coordinated program of special attention for children from broken homes, and low ability students, changed the dropout rate from highest in the city to second lowest.

In Jackson City, Fla., 49 persons of limited education were trained and are now employed as "cottage parents" for mentally retarded children. Eighty percent of the trainees had been unemployed for the previous 2 years or more.



Successful employees of a Philadelphia company volunteered their services to speak to local high school students, emphasizing the importance of education to a career; the dropout rate decreased one-third.

Across the Nation there are countless additional examples of imaginative community programming to expand opportunity and break the cycle of poverty. Many are created locally. Some received impetus from State agencies, private foundations, industry, or labor unions. Others were initiated with the help of creative Federal programs, such as those undertaken by the President's Committee on Juvenile Delinquency. But nearly all share a common handicap—their scope is sharply limited by shortages of local and State resources. In many cases the shortages derive directly from the problem which these efforts are trying to cure—the low income and earning power of the poor.

Some efforts are therefore only demonstration programs, with little hope of expansion. Others provide full solutions for only a part of the problem, a few blocks of a blighted neighborhood, or several families out of several hundred. Often they provide adult education classes which can handle only a small number of illiterates, or special counseling for only some of the dropouts and potential dropouts.

One crucial lesson has been learned from this community experience. Since the causes of poverty are complex, the solutions must be comprehensive. An illiterate adult must learn to read and write before he can enter the skill training program that will lead to employment. The mother on welfare cannot enter employment or manpower training unless there is a day care or community school program for her children. The 16-year-old youth might not be dropping out of school if he had learned to read in early grades or if a work-study program were available. Poverty is a web of circumstances, not the simple result of a simple condition.

The most successful community action, therefore, usually includes the political, business, labor, and religious leaders, the school board, the employment service, the public welfare department, private social welfare agencies, and neighborhood houses in a coordinated attack on local poverty. Above all it includes the poor people of the community whose first opportunity must be the opportunity to help themselves.

#### PRESENT FEDERAL PROGRAMS

Already the National Government is involved in programs that relate to the problems of poverty.

These programs make an important contribution, but they have not been enough. Moreover, Federal support of community efforts has generally involved insufficient coordination among the various Federal agencies. The programs are administered by different agencies under different terms and conditions with different objectives in mind. Nowhere in the Federal Government can a community find broad support for a concentrated program to attack poverty. As a result, the combined expenditures of Federal, State, and local government and private foundations and united funds are too often dispersed into many single-purpose projects, each of which may be worthwhile within its own bounds but which fail to achieve the effectiveness a coordinated approach can bring.

## A COORDINATED APPROACH

Two steps are needed to change this situation. The first, described earlier, demands a focal point within our Government for marshaling Federal programs to support communities ready to do battle with poverty. The creation of the Office of Economic Opportunity will achieve this.

But community action also encompasses many activities for which existing Federal programs can provide no support. The existence of special funds clearly designated for community action support is critical to spurring communities with existing programs to direct more resources into this area. The community action fund is therefore necessary.

## WHO MAY APPLY FOR A GRANT?

The local organization applying for a community action program grant must satisfy only one basic criterion: it must be broadly representative of the interests of the community. It may be a public agency which seeks to build into its programs the advice and expertise of business, labor, and other elements of the private sector. Or it may be a private nonprofit agency which has the support of the relevant elements of community government. It may be an already existing organization, or it may be newly created for the specific purpose of fighting poverty. The community may be a city or a town, a metropolitan area, a county or a multicounty unit, or a combination of rural and urban areas. But above all, it must provide a means whereby the residents of the program areas will have a voice in planning and a role in action. Additionally, in the case of grants for educational purposes, the application must come from the appropriate public body.

## HOW WILL PROGRAMS BE INITIATED?

The initiative for community programs must be distilled from the community itself; there can be no substitute. Through 11 regional representatives, the Office of Economic Opportunity will stand ready to assist any community in formulating its plans, in deciding how to marshal its human and financial resources, by providing technical assistance where this is needed, and by describing what Federal resources are available. The expertise of the Federal agencies concerned with specific aspects of the poverty problem will be brought to bear. Where necessary, community officials may be enabled to visit other communities to see how problems have been solved elsewhere. But the momentum, the direction, and the energy must come from within the community itself.

## WHAT ARE THE CRITERIA?

The plan itself need not be complex. It must answer only five basic questions:

1. Does it demonstrate a basic knowledge of the facts of poverty in the area?
2. Does it propose to attack the real causes of poverty?
3. Does it promise effective solution of the problems which it identifies?



4. Are there community organizations which will work together to carry out the plan responsibly, speedily, and efficiently?
5. Is the community itself dedicated to the achievement of the goals, contributing its own human and financial resources towards that objective?

Above all, this must be a program in which projects are carried out not *for* the community, but rather *by* the community—with external financial assistance—to attack community problems.

#### WHAT ACTIVITIES WILL BE UNDERTAKEN?

Communities will have wide discretion in determining what program activities should be undertaken, for the needs will vary throughout the Nation. In keeping with the focus upon opportunity and with the emphasis upon improving human performance, motivation, and productivity, and the conditions under which people live and work, it is likely that community action programs will include activities such as the following, all focused on the problems of poor people:

1. Services and activities to develop new employment opportunities;
2. Strengthening the teaching of basic education skills, especially reading, writing, and mathematics;
3. Providing comprehensive academic counseling and guidance services and school social work services;
4. Providing after-school study centers, after-school tutoring, and summer, weekend, and after-school academic classes;
5. Establishing programs for the benefit of preschool children;
6. Reducing adult illiteracy;
7. Developing and carrying out special education or other programs for migrant or transient families;
8. Improving the living conditions of the elderly;
9. Arranging for or providing health examinations and health education for school children;
10. Rehabilitation and retraining of physically or mentally handicapped persons;
11. Providing health, rehabilitation, employment, educational, and related services to young men not qualified for military service;
12. Providing community child-care centers and youth activity centers;
13. Improving housing and living facilities and home management skills;
14. Providing services to enable families from rural areas to meet problems of urban living; or
15. Providing recreation and physical fitness services and facilities.

#### HOW WILL PLANS BE PROCESSED?

Community action plans will be received in Washington by the Office of Economic Opportunity and reviewed for consistency with the five basic criteria. In reviewing each plan the Director of the Office of Economic Opportunity will assure that the views of interested Federal agencies are sought and taken into account in decisions on plan approval. In those cases where the proposal does

not contain the views of relevant State governmental organs, these will be sought. The Administrator's approval of a community action plan signifies that this effort warrants the full support of Federal assistance up to the maximum limits based on appropriate matching contributions in order to assure that the goals set forth are achieved.

The success of the program will depend upon the ability of the Office of Economic Opportunity, other Federal agencies, State agencies, and the communities to cooperate in program development, funding and implementation.

The Office will have field staff and consultants who will work with communities as they develop their action programs. The field representatives will also be responsible for involving staff of other Federal agencies—including the Departments of Labor; Agriculture; Commerce; Health, Education, and Welfare; the Housing and Home Finance Agency; and the Small Business Administration. The representative will also suggest involvement of appropriate State officials. This process will make possible a sharing of ideas among the levels of government. It will enable many sources, public and private, to combine to finance community action programs.

Once the community action plan has been approved, the Office of Economic Opportunity will assume two functions. First, it will make available to the community, according to the financial plan, those funds which are derived from its own appropriations. The Director may do this directly, by making allotments, advances, contracts, or other financial arrangements with appropriate action organizations, or he may transfer funds to an appropriate Federal agency or agencies to be administered by that agency in support of the action program. In instances where a number of action organs will be implementing a plan formulated and approved by the community action organization, it will normally be the practice to allot funds to the community action organization which will administer individual action unit allotments. Secondly, the Office of Economic Opportunity will monitor the overall administration of the community action plan and the support provided by Federal agencies in order to assure that the goals planned will in fact be achieved.

#### PROGRAM DEVELOPMENT GRANTS

For communities which have not yet formulated community action plans, but which exhibit a strong will to attack problems of poverty within the community, program development grants will be made. These grants will allow communities to call in experts to assist in analyzing the problems of poverty and to advise on approaches to solutions of the causes of poverty.

During the time that a community is formulating its action plan, whether with or without assistance of a program development grant, action grants may be made to initiate specific projects within that community which will clearly be a part of the final community action program. But it is not planned to continue to make action grants in the absence of a completed community action plan for a period of longer than 12 months.



## FEDERAL-LOCAL COST SHARING

The principle of community cost sharing is vital to the success of community action programs. For cost sharing demonstrates the community's commitment to the objectives of the program, and this commitment in turn leads to involvement of the leaders and organizations of the community in carrying out the actions proposed.

The Federal share of the added costs of expanded community action programs will normally be not more than 75 percent. However, many city and county budgets for the next 18 months or 2 years are already enacted, or are far advanced in the approval process; local leaders will need time to refocus their programs and to reallocate their resources to put higher priority on poverty programs. Recognizing that the capacity of communities to share the costs of community action programs will be limited in the immediate future, but confident that their cost sharing will grow, the Office of Economic Opportunity will increase its share of the costs of community action plans up to 90 percent during the first 2 years of the program, or through June 30, 1966, whichever is later. In calculating the value of the community's contribution, account will be taken of contributions in kind, and of the value of volunteers' services.

In some cases, however, poverty is prevalent through most of a community, not just a few neighborhoods. In those cases, the resources which the community itself can bring to bear are sharply limited.

Where these heavy concentrations of poverty occur, and where it is clear that an adequate attack on poverty cannot be undertaken within the normal cost-sharing standards, the Director will authorize a higher Federal share. This authorization will be based upon objective criteria, including the median income of the community, the adequacy of social services, the number of public assistance recipients, and other relevant factors.

## FARM INVESTMENT: STRENGTH IN THE MARKETPLACE

Farm families represent 16 percent of the poor in the United States. About 1.5 million farm families receive so little income from all sources that they remain at or below the poverty level year after year. When these families include large numbers of children, as they often do, their lack of adequate income represents desperate poverty.

The overwhelming majority of low-income farm families cannot make the transfer to some other environment. Walled in by physical or educational handicaps, severely limited in skills and aptitudes, often beyond the age of new employment, the family breadwinner must "make it" where he is or he won't make it at all.

Unless some means can be found to help these families where they are, they face an ever bleaker future in an increasingly technical and advanced rural society. What is of acute importance for the entire Nation, the children of these families represent the seeds of future poverty scattered throughout the rural and urban communities of the future.

Improving the skills and abilities of these children through education, better health care, and specialized training is of absolutely first

importance. Community action and other programs can help rural communities upgrade and enrich the potential of their young citizens. In addition, aids to stimulate business and industrial development will benefit some adult members of poverty-stricken farm families who need work off the farm.

But the root cause of farm poverty is a lack of resources on the farm itself, particularly land and capital. Poor farm families produce little. They therefore earn little. They thus have little to invest in farm development. It is the classic vicious cycle.

A keystone of the assault on rural poverty, therefore, is what might be termed a "package" of loan and grant programs and advisory services designed to get these poor farm families off dead center, to get their output up, and to give them some strength in the marketplace.

The rural economic opportunity program will make grants to farm operators with meager earnings who have the character and ability to improve the earning capacity of their farms thereby. The grant would be made individually or in conjunction with a loan. It would be made with the specific purpose of moving the farmer to a position where he could finance continued improvements and developments through loans from public or private sources. At present, many small, poverty-stricken farmers either have no debt-paying ability or they are unable to amortize a large enough loan out of anticipated earnings to give them a new start. To gain a position where they can obtain conventional loan financing, they first have to expand their operations. However, they can't expand their operations without financing, for which they now are not eligible. The program will break this cycle by extending carefully managed grants.

Regardless of the financing available for farming expansion, however, some poor families will not benefit. They may not be able to obtain additional resources for farming because the resources—land on particular—simply aren't available. The rural opportunity program would, therefore, provide loans and grants to finance small items of machinery for nonagricultural enterprises on farms. Examples of such items might be a chain saw for felling trees, woodworking tools, a sewing machine, a small electric feed mixing mill, or similar capital equipment that can be operated easily and will significantly increase the productivity of family labor. Where a family has no opportunity to increase its income from agricultural production, such nonagricultural enterprises would be an alternative—the only alternative in a great many cases. Grants are necessary, as well as loans, because here again there is limited debt-paying ability. These families must first move to a position where they can qualify for credit. They can move to this position only through a capital grant that will increase their earning potential.

A direct assault is also proposed on what is probably the single most serious cause of poverty among low-income farm families: Their inability to pay the high costs of farmland coming on the market and thereby obtain the basic resource of agriculture. The value of farm land has been rising at the rate of 3 percent each year, a rise stimulated in part by speculative forces and the fierce competition among large agricultural operators for land to meet the requirements of modern farm technology. It is extremely difficult—indeed, almost impossible—for the Nation's poorest farm families



to buy good land at a price they can pay. Sharecroppers, tenants displaced by machinery, farm laborers, young farmers have no savings. The Department of Agriculture cannot make real estate loans to the majority of these operators because the Department by law may extend a loan only up to the normal value of the land, not its current market value.

The poor farmer has no savings to make up the difference. Frustrated in acquiring more land, he cannot take the additional steps that would increase the earning capacity of his farm. Too often he faces a sad choice: Remain in poverty where he is or migrate to an urban environment where a lack of skills will severely handicap him in earning a living for his family.

The rural opportunity plan thus includes a program of loans and grants to State and local nonprofit corporations which will enable them to purchase at the going price farm land coming on the market and resell this land to individual small family farmers at its appraised value. The Department of Agriculture, through its regular farm lending activities, would help the individual families to buy the land from the corporation. Any loss the corporation might sustain in the transaction would be made up by a grant from the funds appropriated for the antipoverty program. In the initial period of the program, an estimated 2,500 carefully selected families would be assisted in getting the land resources they must have to earn an adequate income.

Finally, the rural effort provides a credit program to finance cooperatives made up wholly or partly of low-income farm and other rural families. Such cooperatives would provide services, supplies, and facilities not now available to low-income families, and would serve as a market place for their products. Poor farm families generally are excluded from the benefits of participating in cooperatives. Most in need of strong marketing, purchasing and service organizations, they are least likely to be in a position to organize and support such organizations. There exists at present no practical source of financing for cooperatives that are in the early, tryout stages, are weak financially, or require financing beyond the legal limitations of the Bank for Cooperatives, private banks, and other existing sources of credit.

The proposals to combat farm poverty must be viewed as a single package. Major items of the package complement and reinforce each other. They have a single, unified objective: To raise the income-producing capacities of families by giving them access to capital, land resources and management aids on the farm and by opening up new opportunities for them to obtain economic strength in the community.

Following is a detailed explanation of how each major program will operate:

#### GRANTS AND LOANS TO INDIVIDUAL FARM FAMILIES

Grants would not exceed \$1,500 and would be concentrated among those families who with such assistance would be able to move up to an income level which permitted financing entirely through credit sources.

To be eligible for a capital grant, the applicant must—

- (a) Be the operator of not larger than a family farm;
- (b) Demonstrate character, industry, and intent to utilize the grant to raise his level of living permanently;
- (c) Be unable to maintain a satisfactory level of income but have reasonable prospects, with the assistance of a grant or loan-grant combination, of raising his income sufficiently to improve his living standard; and
- (d) Be unable to obtain credit for the desired purposes elsewhere.

Capital grants will be administered through Farmers Home Administration county supervisors, who serve all rural areas in the United States. Priority will be given capital grants in areas which have adopted, or are in the process of formulating, community action plans. This will insure that full advantage will be made of the mutually reinforcing effect of the grants and community-wide human resources development assistance.

A combination of grant and loan financing will be programed only after a formal analysis of the family resources and prospects. The amount of the grant will be determined by the amount of capital input required that the family is unable to finance through a loan while retaining a minimal standard of living. Depending on the family's farm and home development plan and management ability, the capital grant may be provided in one sum or phased in installments. However, in either case, Farmers Home Administration will retain control of all expenditures made with the grant.

Under the proposed program, capital grants would be made to approximately 45,000 farm families. The average grant is expected to be \$500. In the majority of cases it would be supplemented by a loan from the Farmers Home Administration. By combining a small capital grant and a loan, plus intensive farm and home management assistance provided by Farmers Home Administration a significant number of these low-income farm families can hope to increase their earnings and their standard of living substantially over a relatively short period of time. Farmers Home Administration experience with loans for purchase of farm real estate and for farm operations shows that on the average family cash income less operating costs increased from 85 to 102 percent during the life of the loan. A program of grants supplementing the existing loan program would open similar opportunities for extreme low-income farm families.

#### FARM LAND PURCHASE AND RESALE

To make additional land resources available to poor farm families, loans and grants will be made to State and local nonprofit corporations for the purchase and resale of farm land either (a) in small parcels to add to existing units or (b) in the form of individual farm-size units. On large tracts of land purchased, necessary improvements also would be carried out by the corporations to make these tracts viable as sites for family farms. These improvements would be financed by the corporations using loan and grant funds.

Under the program corporations would purchase suitable farmland coming on the market in local rural areas. Necessary improvements would be made on the land. Where large tracts were involved, after



the land had been improved and subdivided into adequate family farming units it would be sold to selected potentially successful low-income farming families. These families would use loans from Farmers Home Administration to purchase the farming units or additional farm land to add to their existing units.

In most cases, the cost to the corporation of land purchase and development would be greater than the sale price of the land to an individual small farmer. The corporation would need to pay the going market price to acquire the land, while the individual farmer would be able to pay only the normal (or appraised) value of the land, using an FHA loan. The difference between what the corporation pays for the farm land purchase and development and the price it receives would be made up through a direct grant to the corporation.

Approximately 200,000 acres of land can be purchased and resold initially by the corporations, using loan and grant funds provided by the program. It is estimated that the average farm purchaser will acquire about 80 acres; thus the program initially will benefit approximately 2,500 families.

#### LOANS TO COOPERATIVES

Another important aspect of the antipoverty campaign in rural America will be a new program of loans, grants, and direct technical assistance for cooperatives that are made up wholly or partly of low-income families. Some examples of enterprises operated by small cooperatives that might be assisted through this program are:

- Marketing of fruits and vegetables produced on small farms.

- Processing, transporting, and selling timber products produced on farms. (Processing might include manufacturing of crates, furniture, millwork, etc.)

- Purchase of farm supplies such as fertilizer, garden seeds, building materials, and machinery.

- Cold storage and packing plants both for home use and for sale.

- Livestock sales facilities.

- Facilities for the manufacture, transport, and sale of handicraft items produced by members of the co-op, such as glassware, ceramics, furniture, toys, decorative items, clothing, etc.

Under this program, loans and grants would be authorized both to help a small cooperative get started and also to supply credit for one already in operation. Initially, however, the major emphasis would be placed on the former, with assistance concentrated where the largest number of low-income farmers and rural residents would benefit per dollar of expenditure.

In order to provide the supervision and technical services required to assure the success of the loan and grant programs proposed, the Farmers Home Administration will need to supplement its field staff in rural poverty areas, particularly those areas going forward with community action programs. It will, therefore, be necessary to supplement existing staffs with an additional 340 field personnel and 10 headquarters unit personnel to provide the supporting technical and farm and home management advisory services. These additional staff members will be concentrated in 469 counties where half the families have incomes of less than \$2,500.

## EMPLOYMENT AND INVESTMENT INCENTIVES

## PART A—INCENTIVES FOR HIRING

High rates of unemployment and underemployment and their invariable result—severe poverty—may be found in broad areas such as Appalachia and the Ozarks or in smaller pockets such as certain depleted mineral and lumber areas of the North and the slum-ridden core areas of many of our larger cities. Obviously, one of the most necessary and effective measures for the alleviation of poverty in these areas is to provide a means of stable employment for those who cannot find work.

The first major national effort in this direction was the Area Redevelopment Act passed by the 87th Congress and signed into law in May, 1961. Under that act, low-interest loans were made available to stimulate the establishment of new or expanding industrial and commercial enterprises in designated areas of substantial unemployment and underemployment. Significant progress has already been made under this program in many localities. As of the end of February, the Area Redevelopment Administration had approved 291 business loans, involving the expenditure of \$119.2 million.

The ARA program, although still relatively new, has served to focus attention on the need for positive and constructive programs which can assist the unemployed once again to become self-respecting, self-supporting, productive members of society. Such programs also have the advantage of enabling the Government to realize a return on its original investment, even though their purpose is primarily social and economic. Without these investments, ever-expanding relief and welfare programs would be necessary, and even greater economic waste of manpower would occur only because opportunities for productive labor are lacking. The ARA experience thus far has shown that for every \$3,600 of business loans a new job in a private enterprise has been created. As against this, it should be noted that the average worker in the United States produces goods and services having a value of about \$8,500. The \$8,500, moreover, repeats itself every year in addition to the real wealth of the Nation, while the investment of \$3,600 for each job is a one-time loan commitment which will be returned to the Federal Treasury with interest.

Part A of title IV would establish a new program of business loans for poverty areas or pockets beyond the reach of the regular ARA program, either because the poverty pockets are too small for designation as redevelopment areas or because capital resources in the other areas are so lacking that it is impossible to comply with the local participation requirements of an ARA loan. It is expected that most of the loan requests will come from business enterprises based on local natural resources, local markets, and local labor. These industries probably will predominantly include the lighter types of manufacturing enterprises rather than large, national concerns requiring highly skilled labor. Also included will be businesses catering to tourist income such as handicraft and gift industries, and other service and commercial establishments which will help to install a viable economic base in the poverty areas.

The Director of the Office of Economic Opportunity would be authorized to establish a program of direct loans, participations with



banks, and loan guarantees, to provide funds for the establishment, preservation, and expansion of promising business ventures which will hire the long-term or hard-core unemployed. The program would be administered through the existing resources and facilities of the Area Redevelopment Administration. It is expected that ARA in processing such applications would normally make the loan under its own program, wherever possible. The funds available to the Director under this expanded program to increase economic opportunities would be used only where the ARA program could not be applied.

Most of these funds would be used for direct loans, since banks in the poverty areas often lack the resources to make large or long-term loans. However, a portion would be set aside for loan guarantees in force at any one time, to provide for possible losses.

Loans to private borrowers would be authorized for a period of not more than 25 years. At least half of the employment openings created by the investment must be recruited from among the long-term unemployed, or from members of low-income families. No financial assistance will be extended to relocate businesses from one area to another, and assistance will be limited to areas undertaking an approved community action program. In order to assure that assistance extended under this program creates a significant number of new employment opportunities, loans will be made primarily in labor-intensive industries, or in industries in which the investment cost per employee is relatively low. In no case will any loan be made for which loan-cost-per-job exceeds \$10,000; the average cost-per-job created will be substantially lower.

The Director would also be authorized to participate with other lending agencies and institutions whenever immediate participations could be obtained. Deferred participations, which depend on the ready availability of ample investment funds, are not deemed practical and would not be authorized.

Whatever the form of the financial assistance provided, the Director would first be required to determine that there were sufficient funds available to complete the project and that it gave reasonable assurance of repayment. Loans would bear interest at a rate determined by the Secretary of the Treasury on the basis of the average market yield of outstanding Treasury obligations of comparable maturity, plus an additional charge at the discretion of the Director to cover the other costs of the program. However, the legislation would require that no interest rate be charged on any project in a poverty area in excess of the rate then being charged under the area redevelopment program.

The Director would also be authorized to charge reasonable fees for administrative expenses and to cover probable losses in connection with the loan guarantee program.

#### PART B—SMALL BUSINESS LOANS

The small businessmen of our Nation constitute one of the foundations of community life. When poverty strikes the community, it strikes them as well. Indeed, the ledgers and annals of the poor would be incomplete if they failed to show that—

One-half of the Nation's 5,600,000 sole proprietorships engaged in nonagricultural enterprises report annual profits of \$3,000 or less.

Sixteen percent of these proprietorships report net losses.

Three hundred and eighty-seven thousand small businesses go out of business annually.

When small businesses fail, we lose the creative talents of individuals whose enterprise and initiative have long been the backbone of American life. Each such failure is America's loss and poverty's gain.

In addition, since almost one-half of the jobs in our country are created by small business employers, the demise of the small businessman proliferates poverty and further paralyzes the community.

The Small Business Administration has made more than 40,000 loans to small business concerns totaling more than \$2 billion over the past 10 years. However, there remain many small businessmen who have been unable to meet normal credit eligibility requirements under existing law. More often than not, these are the very small retailer or serviceman, the business with one, two, or perhaps five employees, which is nevertheless an important part of the business community, and makes an important contribution to the economy. Such a small entrepreneur needs little capital, but he does need it on reasonable terms and for a somewhat longer period than is presently available.

Part 3 of title IV would establish a broader lending program designed to meet the needs of the small proprietor. Such a program—

Will help put a new or incipient business on its feet.

Will enable an existing business to grow where there is a need for growth and provide small loans for longer terms than existing SBA programs permit.

Will enable small firms to ready themselves for the higher levels of economic activity which the tax reductions in 1964 and 1965 will produce; and for firms in areas where the ARA or other development programs have spurred economic growth, to share in the improved conditions which such development yields.

Will hold out the promise of increased employment by every firm which can with the help of a modest loan from the SBA expand its labor force.

Will provide for these small businessmen an opportunity to learn by making available a program of management training in connection with which both the business community and the educational institutions will be encouraged to share their knowledge and their experience.

The SBA has within the limits of its existing legislation experimented with such an approach in Philadelphia, Pa., in cooperation with local business groups and foundations. This program was started as a pilot project on January 28, 1964, but the response has been instantaneous and extraordinary. To date, the SBA has conducted in connection with the pilot program more than 1,100 interviews. Three hundred applications for financial assistance have been received; 74 loans have already been approved, averaging \$5,000 each.

The borrowers include an insect exterminator now making \$40 a week. With a \$6,000 loan, he will purchase a new truck, buy new equipment, and expand his business to employ two or three helpers. He is taking a local Small Business Administration "How to Run a Business" course. Another borrower wholesales artificial flowers from his basement, but will expand into new quarters and hire several



new employees with a \$6,000 loan just granted. An appliance repairman, through a loan, is expanding his small business by establishing several branch stores. A locksmith who has just invented a new electronic automatic timeclock has received a loan of \$4,500 with which he will be able to expand his presently very limited production.

In conjunction with these loans, members of the business community of Philadelphia who are recognized experts in fields such as bookkeeping, merchandising, and taxation, have volunteered their services as advisers to borrowers. The chief beneficiaries of both the lending and the management training aspects of the Philadelphia pilot project are expected to be the disadvantaged small business concerns—frequently members of minority groups—who are unable to obtain private financing, or to underwrite any form of management training for themselves or their employees.

The experience has been encouraging and dramatic. It should now be attempted in similar situations. This act would authorize the Director of the Office of Economic Opportunity to make or guarantee loans to small business concerns or to those seeking to establish such concerns if the financing is not otherwise reasonably available and if there is reasonable assurance of repayment. The definition of "small business" would be governed by the Small Business Act and the authority to make such loans will be delegated to the SBA.

The maturity of the loans (15 years) would exceed that presently within the power of the SBA. In addition, the act provides for more relaxed credit standards. The loan may be made under conditions which permit the borrower to defer repayment of principal for a period of time necessary to establish the business, or permit the payment of other existing indebtedness so as to insure the viability of the concern. The purpose of this more liberal approach is not only to enable small business concerns not otherwise able to meet the credit criteria of private lenders or the SBA to obtain financial assistance under this act, but also to attract participation by private lenders. Because it is expected that the chief applicants will be the very smallest firms—typically, service and retail enterprises—the maximum loan limit will be \$15,000.

Particular emphasis is given to management training, both to train those entering business and to upgrade the skills of those already in business. The Administrator would be given specific authority to condition the granting of a loan upon the borrower's participation in an approved management training program, either privately conducted or Government sponsored. Such provision will also give the Government additional assurance that its investment will be repaid.

Under the program it is estimated that more than 1,000 loans to small businessmen in Philadelphia alone can be made, based on the enthusiasm with which the announcement of the pilot was received. In addition, the Philadelphia approach will be extended to 10 more cities with core area problems which a thriving community of small businessmen can help to solve. In all, more than 5,000 loans to these sole proprietors and small enterprises can be made during the next year. These loans will average about \$5,000 each, and will be concentrated in neighborhoods which are undertaking community action plans. The Small Business Administration, through its 15 regional offices, will be the prime mover of the program, and will absorb the

estimated cost of \$25 million during the first year within its existing funding authorizations. No additional funds to finance this program are being requested as part of the 1965 Office of Economic Opportunity budget.

#### FAMILY UNITY THROUGH JOBS

For the unskilled and the semiskilled, loss of a job may mean far more than the loss of income. It is likely to mean eventual exhaustion of unemployment benefits, loss of dignity, loss of hope. And the long period of enforced idleness, with nothing to do and nothing to contribute, may result in the disintegration of the family.

What is needed is a program that will give even the least qualified of those low-skilled workers a chance to avoid this descent into hopelessness. The way for such a program has already been cleared.

In 1961, the Social Security Act was amended to authorize Federal financial participation in assistance to families with an unemployed, but employable, parent living at home. The following year the act was again amended to permit this assistance to be paid in the form of wages for work or training in special programs.

Thirteen of the eighteen States which have expanded their aid to families of dependent children (AFDC) program to include unemployed parents (AFDC-UP) have undertaken or are completing plans for such work and training programs. These programs have been highly successful. They have proved that welfare recipients welcome the opportunity to return to productive work or training and that such programs both increase the employability of the recipient and benefit the community in which he lives.

In West Virginia, a statewide work-training program has provided work for over 10,000 unemployed individuals each month. In the last 18 months, 6,700 welfare cases have been closed as the result of regular employment for the relief recipients. And institutions across the State continue to request more work-training participants than are available.

In Cook County, Ill., 700 fathers from AFDC-UP families were given a special course in cabdriving; 85 percent of them are now employed as cabdrivers. Throughout the county, nearly 6,000 unemployed parents have been enrolled in a basic education program, and almost 2,000 in a high school program, both of which have been received enthusiastically by students and administrators alike.

In Fulton County, Ga., 232 AFDC mothers participated in a training course in commercial food preparation and housekeeping, and 103 of these found permanent employment. In less than 1 month, the costs of training these women were offset by savings in public assistance payments to them.

In Oregon, 610 unemployed parents are being provided work and training in clerical services, cafeteria operations, mechanical trades, and construction skills. In Indiana, 200 are being trained in nursing, barbering, and hair dressing. In downstate Illinois, over 2,000 are working at building maintenance, clerical and library services in public schools, and road maintenance.

These cases, and many more like them, demonstrate that public assistance with work and training can be used as a positive instrument to keep families together, to increase employability, and to brighten our communities.



## RELATIONSHIP TO MANPOWER DEVELOPMENT AND TRAINING ACT

This program directly complements programs carried out under the Manpower Development and Training Act. Both programs are directed primarily at the same person—the unemployed head of a family. However they differ in their methods of recruitment and accordingly in the persons they reach. The Manpower Development and Training Act program, because it recruits through the State employment services and because it calls for a relatively high aptitude, tends to attract an “elite” element among the unemployed—those who are better educated, who are aware of the services available to them, and who have the confidence to seek admission.

But the lower ranks of the unemployed generally do not share this aptitude, awareness, or confidence. They must be reached by other means, the most effective of which is the mechanism of public assistance. When combined with a program of constructive work or training, public assistance serves as an effective device not only for reaching the unskilled unemployed, but also for preserving their basic work skills and initiatives. Some of those selected through this mechanism will enter Manpower Development and Training Act programs immediately; others will be given experience and confidence to qualify them for such training; and still others will enter the labor force directly once again. But all will be given an opportunity to improve themselves and their communities through work and training.

The way in which the Office of Economic Opportunity will spur initiative of these programs has been dramatically demonstrated in the State of Kentucky.

In November 1963, Kentucky sought a grant from HEW to enable it to initiate a small, pilot program under which AFDC would be extended to families with unemployed fathers and a community work and training program would be initiated. In December, a grant was approved in principle under which HEW would underwrite, until the end of the State's current fiscal year, the total cost of an AFDC-UP pilot program in seven eastern counties. The grant was made in January. Rapid progress and full public acceptance led the legislature in February to authorize the expansion of the program to 39 hard-hit east Kentucky counties at the beginning of its next fiscal year and to the entire State 1 year hence. Thus a small grant to finance a pilot program can rapidly lead to a statewide program.

In order to stimulate the adoption by other States of constructive work or training programs which will enable employable individuals and their families to transfer from welfare rolls to payrolls, a three-part program is proposed:

1. *Extension of AFDC-UP and work and training programs to more families*

In addition to the 18 States whose programs of aid to families with dependent children include families with an unemployed parent, 10 States are actively considering the establishment of such programs. But many of the 18 States which now have AFDC-UP programs limit their effectiveness and scope by using restrictive definitions of unemployment, need, or residence and there are 22 States in which nothing has been done. In all of the States there are substantial

members of families—a total of almost 300,000 involving nearly 1.6 million persons—in which the father is unemployed and which are not receiving adequate assistance and training.

This situation permits the disintegration of many families, the withdrawal of many children from school, and the reinforcement of a pattern of poverty for many of this Nation's citizens. Accordingly, the family-unity-through-jobs program has been designed to encourage the expansion of existing programs, the establishment of new AFDC-UP programs, and the inclusion of work and training programs on a pilot basis where they do not now exist.

It is estimated that approximately 80,000 unemployed fathers who are not now receiving public assistance can be reached during the first year of an expanded program. Since the average family receiving AFDC-UP contains 5.7 people, this part of the program alone will directly affect some 456,000 people.

### *2. Extension of work and training programs to more families now receiving AFDC-UP*

An estimated 35,000 able-bodied fathers are now receiving public assistance while what skills they have wither from disuse, while technological change renders even those skills obsolete, and while pride and self-respect become luxuries which can no longer be afforded.

In order to avoid the perpetuation of this waste, the Department of Health, Education, and Welfare would also underwrite pilot efforts to stimulate the adoption of work and training programs in connection with public assistance. It is estimated that approximately 20,000 families or a total of 114,000 people at an average family size of 5.7, could be reached during the first year in an expanded program.

### *3. Provision of basic education and training of AFDC mothers*

A majority of the families in the AFDC program are headed by women. The father is absent, dead, or incapacitated. Of the over 700,000 women heading families receiving AFDC, about 14 percent are now employed and another 13 percent, or approximately 100,000 could work if employment were available. Many more would seek employment if adequate day-care facilities were available. Moreover, less than one-third of the AFDC mothers have more than an elementary school education, and their children will almost inevitably suffer from such a home environment. These mothers (primarily those with older children for whom day care arrangements can be made) would benefit both themselves and their children if they were to receive basic education and training. In addition to enhancing their prospects for employment, such training has proved its value in strengthening the family situation and making possible progress for the children.

It is estimated that during the first year of this program, about 30,000 of the 100,000 mothers seeking employment could be given basic literacy education and vocational training. Since the average size of an AFDC family headed by a female is 3.9 people, this would affect some 117,000 people.



*Budget estimate*

[Cost in thousands of dollars]

|                                                                                     | Total cost | Economic opportunity agency | State contribution |
|-------------------------------------------------------------------------------------|------------|-----------------------------|--------------------|
| I. Extension of AFDC-UP and work and training programs to more families:            |            |                             |                    |
| Welfare costs:                                                                      |            |                             |                    |
| Public assistance.....                                                              | 95,760     | 95,760                      | 0                  |
| Additional living expenses.....                                                     | 11,200     | 11,200                      | 0                  |
| Work and training costs.....                                                        | 28,000     | 22,400                      | 5,600              |
| Total.....                                                                          | 134,960    | 129,360                     | 5,600              |
| II. Extension of work and training programs to more families now receiving AFDC-UP: |            |                             |                    |
| Welfare costs:                                                                      |            |                             |                    |
| Public assistance.....                                                              | (1)        | (1)                         | (1)                |
| Additional living expenses.....                                                     | 4,000      | 4,000                       | 0                  |
| Work and training costs.....                                                        | 10,000     | 8,000                       | 2,000              |
| Total.....                                                                          | 14,000     | 12,000                      | 2,000              |
| III. Provision of basic education and training to AFDC mothers:                     |            |                             |                    |
| Welfare costs:                                                                      |            |                             |                    |
| Public assistance.....                                                              | (1)        | (1)                         | (1)                |
| Additional living expenses.....                                                     | 3,000      | 3,000                       | 0                  |
| Basic education and training.....                                                   | 5,000      | 5,000                       | 0                  |
| Total.....                                                                          | 8,000      | 8,000                       |                    |
| IV. Cost of administration.....                                                     | 640        | 640                         |                    |
| Grand total.....                                                                    | 157,600    | 150,000                     | 7,600              |

<sup>1</sup> Not applicable because basic cost of public assistance already being paid under regular State program.

## VOLUNTEERS FOR AMERICA—THE OPPORTUNITY TO HELP

The response throughout America to the Peace Corps has demonstrated with dramatic clarity the intensity of the spirit of service in this country. It is proposed to tap this vital source for domestic service through a volunteers for America program within the Office of Economic Opportunity.

For those thousands of Americans who are not eligible for Peace Corps service (for the most part because they have families) who are unable to volunteer for a full 2 years, or who would prefer to make their contribution at home rather than abroad, the volunteers for America program will offer an opportunity for service. Peace Corps experience has indicated the great extent to which this program can benefit the volunteers themselves, the people and the communities served by them, and the Nation as a whole.

Volunteers will participate not only in the programs proposed in the Economic Opportunity Act of 1964. They will also work in existing Federal programs related to poverty problems, and in State and local activities. A volunteer may teach in a Job Corps training center, or he may work on an Indian reservation on projects administered by the Bureau of Indian Affairs. He may work in a community undertaking a community action program, or he may, on request of a State or municipality, be assigned to projects which are supported wholly by local resources. In each case, the aim of the Office of Economic Opportunity will be simply to bring together a Volunteer willing to serve and an opportunity for service.

The term of service in the volunteers for America program will normally be 1 year, including training. To be eligible, applicants

must be at least 18 years of age. Specific standards of selection—including physical condition and level of education and experience required—will vary depending on the job to be done, but a high degree of motivation and stability will be required in every case. As in the Peace Corps, initial selection will be made on the basis of detailed applications, references, and an aptitude examination; final selection will be based upon evaluation of a candidate during training.

Training for approximately a 1-month period will be given to every volunteer. The training will be conducted through contracts with colleges and universities throughout the country. Although the content of training will vary with the nature and location of the job at hand, it will normally include studies in the volunteers of America program, the nature and causes of poverty in this country, the skills required for the specific project, and physical fitness and health care.

Membership will be of two basic types. Approximately 2,500 of the 5,000 volunteers anticipated by the end of the first year of operations will be responsible directly to the State or local organization under whose auspices they are serving or to a central State office. In this case, the assignment of volunteers will be subject to the approval of the Governor, and the State or local community will be responsible for payment of all allowances and support costs following the period of training.

Of the balance of the volunteers, part will be assigned on request of Federal agencies to various poverty-related programs where opportunities for service exist. They will work in programs on Indian reservations, programs dealing with migratory workers, and programs located outside the 50 States—such as those which might be undertaken in the District of Columbia, Puerto Rico, and Guam or other American territories. And part will serve in conservation camps in Job Corps training centers, and in federally assisted mental health and mental retardation institutions. The Office of Economic Opportunity will bear the costs of volunteer services for Federal programs.

The Deputy Director for Volunteers will both assign volunteers to Federal programs and make available to interested States and communities lists of qualified applicants for programs under their auspices. All training will be conducted by the Office of Economic Opportunity, although a State or locality will, of course, be free to supplement such training to the degree it deems desirable.

Volunteers will receive an allowance of \$50 for each month of satisfactory service, including the training period, to be held for them until the completion of their service. In addition, they will receive a living allowance which will vary depending upon the location of the project and the types of support provided in kind. In any case, volunteers will receive—either in kind or through their living allowances—housing, subsistence, transportation, medical care, and the supplies, equipment, and special clothing necessary during their period of service.

For volunteers assigned to State and local programs, the entire cost to the Federal Government will be the initial costs of selection, processing and training. This will normally be obligated at the time the volunteer enters training. Two million dollars will therefore be required to enroll in service in fiscal year 1965 an estimated 2,500 volunteers in this category at an estimated average per capita cost of \$800.



For volunteers assigned to Federal programs and federally assisted institutions, it will also be necessary to finance all of the initial processing training costs. These initial costs are expected to average approximately \$900, including the provision of certain items of work clothing and supplies. Since volunteers will be phasing in during the year, average posttraining costs and allowances during fiscal year 1965 are estimated to be about \$300. Three million dollars will therefore be necessary to enroll in service in 1965 an estimated 2,500 volunteers in this category at an average per capita cost of \$1,200.

#### INFORMATION CENTER

The antipoverty programs of the Federal Government involve more than a score of agencies and offices, dozens of laws, and hundreds of pages implementing regulations and procedures. To a local mayor, city councilman, county supervisor, or welfare official the prospect of contacting and dealing with half a dozen or more Federal agencies can present a prohibitive obstacle to progress. The local official or community leader who attempts to mobilize the Federal help now available to him must thread his way alone through this labyrinth.

A one-stop antipoverty data center will end that confusion and break through much of the existing redtape that has bewildered local officials. Above all, it will get into their hands a single response that will furnish them information about ongoing Federal antipoverty programs.

It is planned to establish such a center in Washington, D.C., to provide prompt and complete service to State, county, and city officials, and others who will organize and carry out community action programs.

The operations of the center will be geared to meet the needs of specific communities. Conditions, problems, and avenues of attack on poverty will differ from community to community and from State to State. The center will furnish each community the kind of information it needs.

We expect the workload of the center to be large, as more and more communities seek ways by which they can tackle the problems of poverty. The first contact which a community makes with the center will be all important in keeping alive the spark of initiative that has been kindled in the community. No community anywhere should fail to act because the Government was either too slow in responding to a request for help or because the information and data furnished was inadequate to meet its needs. To assure that this goal is met, the center will serve as a coordinator for response to local officials. Where several agencies of the Federal Government are involved in a specific program, the center will do the necessary legwork to see to it that the local community gets a single set of replies to its questions.

This center would not duplicate or overlap present services performed by an existing agency. Specific requests for information about the Department of Labor, for example, will continue to be handled by that agency. The same would hold true for all other agencies.

This new dimension of the antipoverty effort will, however, require a new approach to the handling of requests for help from all across

the Nation, especially as the combined resources of the Federal Government are brought to bear in the attack on poverty.

The work of the center will be closely coordinated with the teams of experts who will work directly with local community action organization in their planning and programs. In addition, the center will make available, on request, to communities and officials samples, case studies, and models of how other areas have solved or attacked similar problems.

## OFFICE OF ECONOMIC OPPORTUNITY

### ORGANIZATION AND ADMINISTRATION

The Office of Economic Opportunity, headed by a Director, will be located in the Executive Office of the President. The proposed Economic Opportunity Act of 1964 would give the Director the function of coordinating existing Federal agency programs related to poverty, and also empower him to initiate new programs as specifically authorized by the act. Except for the Job Corps, the analysis and review of community action plans, and administration of the volunteers for America program, nearly all operating functions of the antipoverty program will be performed by other departments and agencies, with the Director formulating guidelines to govern their overall shape and content.

Organizational details are still tentative, but the basic outlines are as follows:

#### *Office of the Director*

|                                          |            |
|------------------------------------------|------------|
| Director.....                            | Statutory. |
| Deputy Director.....                     | Do.        |
| 2 Special Assistants.....                | GS-18.     |
| Executive Secretary.....                 | GS-16.     |
| Staff to the Office of the Director..... | 6.         |
| Executive secretariat.....               | 6.         |

The Director and his staff will have overall responsibility for the work of the Office. Paramount among the responsibilities involved will be (1) the coordination of the activities of other departments and agencies related to the combating of poverty, and (2) encouraging the cooperation and participation of business, labor, and other private organizations and associations in this effort, and (3) administering the program authorized by the proposed Economic Opportunity Act of 1964. In order to achieve these ends more effectively, the Director and Deputy Director will also have the status of Special Assistant and Deputy Special Assistant to the President.

The two Special Assistants to the Director will assume special responsibilities in advising the Director on problems of Federal inter-agency coordination, and ways to enlist the cooperation of business, labor, and private organizations.

#### *Job Corps*

|                                        |            |
|----------------------------------------|------------|
| Deputy Director for the Job Corps..... | Statutory. |
| Assistant Deputy Director.....         | GS-18.     |
| 2 Associate Directors.....             | GS-17.     |
| Program Staff.....                     | 48.        |
| Recruitment Staff.....                 | 10.        |



The Deputy Director for the Job Corps will have overall responsibility for the composition and activities of both the conservation camps and the vocational training centers located throughout the country. The Washington staff will have two basic functions, as indicated by the divisions within the office: (1) program responsibilities concerning the basic nature of the camps, including the selection of enrollees and the administration, content, and evaluation of the camps, and (2) the recruitment, including any necessary training, of the teaching staff. The implementation of program plans will be carried out in the field by USES offices, the camp staffs, and other appropriate organizations or individuals.

*Community Action Programs*

|                                           |            |
|-------------------------------------------|------------|
| Deputy Director for Community Action..... | Statutory. |
| Assistant Deputy Director.....            | GS-18.     |
| Chief—Program and Financial Analysis..... | GS-17.     |
| Chief—Information Center.....             | GS-17.     |
| 11 regional directors.....                | GS-17.     |
| Program analysis staff.....               | 15.        |
| Financial analysis staff.....             | 8.         |
| Information staff.....                    | 30.        |
| Regional office staff.....                | 39.        |

The Deputy Director for Community Action and his staff will be responsible for overseeing the efforts of "target" communities to combat poverty. To this end, they will conduct practical analyses of the causes of poverty and its incidence throughout the country, and they will formulate specific guidelines to other departments and agencies on the shape and content of their role in a coordinated Federal effort to eliminate poverty. In particular, they will be responsible for the analysis of community action and related program submissions and for recommending appropriate action by various agencies.

There will be 11 regional offices, each headed by a regional representative, who will be responsible for the horizontal integration of all Federal services to meet the needs of approved community action plans. In addition, they will stimulate and process individual plans, recommend appropriate Washington action, and seek highest level State cooperation.

The financial analysis staff will be responsible for the allocation to other departments and agencies of funds appropriated to the Director for the implementation of programs recommended by the program staff.

The information center staff will serve as a one-stop source of information about the full range of Federal antipoverty programs for State and local government officials and other interested individuals in order to enable them more effectively to take advantage of Federal resources available to assist in eliminating poverty.

*Volunteers for America Program*

|                                               |            |
|-----------------------------------------------|------------|
| Deputy Director for Volunteers.....           | Statutory. |
| Assistant Deputy Director for Volunteers..... | GS-17.     |
| Chief—Selection.....                          | GS-17.     |
| Chief—Training.....                           | GS-17.     |
| Selection staff.....                          | 30.        |
| Support staff.....                            | 40.        |

The Deputy Director for Volunteers and his staff will be responsible for the nationwide program involving an estimated 5,000 volunteers at the local, State, or Federal level in programs designed to combat poverty.

The selection staff will evaluate all applications and will allocate suitable applicants to appropriate programs including referral to State and local programs. It will also serve as a clearinghouse for the allocation of suitable applicants to local communities.

The support staff will develop training programs for all volunteers and will develop and apply payment, transportation, and related policies for volunteers in Federal programs. In doing so, they will work closely with State and local authorities in order to assure that volunteer programs are coordinated throughout the country.

#### *General Counsel*

|                             |        |
|-----------------------------|--------|
| General Counsel.....        | GS-18. |
| Deputy General Counsel..... | GS-16. |
| Staff.....                  | 3.     |

The General Counsel and his staff will provide legal counsel and other legal services related to the attack on poverty and to the proposed legislation.

#### *Public Information*

|                                                |        |
|------------------------------------------------|--------|
| Associate Director for Public Information..... | GS-17. |
| Staff:                                         |        |
| Press relations.....                           | 8.     |
| Public affairs.....                            | 15.    |

The Associate Director for Public Information and his staff will be responsible for all information functions directed at the general public. The press relations staff will deal with communications media and with interested individuals to explain and interpret the Government-wide program to combat poverty to the public.

The public affairs staff will have primary responsibility for a nationwide information campaign aimed at (1) volunteer enrollees in the Job Corps, (2) volunteers to work as staff at the Federal, State, or local level in the various programs involved in the anti-poverty effort, and (3) paid staff members for the Job Corps camps.

#### *Management*

|                                        |        |
|----------------------------------------|--------|
| Associate Director for Management..... | GS-17. |
| Staff:                                 |        |
| Accounting and audit.....              | 8.     |
| Personnel.....                         | 6.     |
| Management services.....               | 8.     |

The Associate Director for Management and his staff will be responsible for the internal administration of the Office of Economic Opportunity. This will involve accounting for the funds appropriated to the Director, audit of the financial records of communities with approved community action and related programs, personnel services for the Office, and management services such as building maintenance, reproduction, stocks and records, and the like.



## SUMMARY

The organization of the Office of Economic Opportunity as described above would involve a Washington staff of 247, of whom 5 will be statutory and 16 will be supergrades, and a field staff of 65 direct hire personnel, of whom 11 would be supergrades.

*Budget summary, war on poverty, fiscal year 1965*

| <i>Title</i>                                                                            | <i>Thousands</i>     |
|-----------------------------------------------------------------------------------------|----------------------|
| I. Youth programs.....                                                                  | \$412, 500           |
| A. Youth camps and guidance centers.....                                                | 190, 000             |
| B. Work-training programs.....                                                          | 150, 000             |
| C. Work-study programs.....                                                             | 72, 500              |
| II. Urban and rural community action programs.....                                      | 315, 000             |
| III. Special programs to combat poverty in rural areas.....                             | 50, 000              |
| A. Family capital grants.....                                                           | 22, 200              |
| B. Farm resources adjustments.....                                                      | 15, 000 <sup>1</sup> |
| C. Loans to cooperatives.....                                                           | 10, 000              |
| D. Administrative expenses.....                                                         | 2, 800               |
| IV. Employment and investment incentives.....                                           | 25, 000              |
| A. Incentives for employment of long-term or hard-core unemployed persons.....          | 25, 000              |
| B. Small business loans.....                                                            | ( <sup>1</sup> )     |
| V. Family unity through jobs.....                                                       | 150, 000             |
| A. Jobs and training for unemployed fathers not now eligible for public assistance..... | 129, 360             |
| B. Jobs and training for unemployed fathers now receiving public assistance.....        | 12, 000              |
| C. Training for mothers of families receiving public assistance.....                    | 8, 000               |
| D. Related administrative expenses.....                                                 | 640                  |
| VI. Administration, research and volunteers.....                                        | 10, 000              |
| A. Office of Economic Opportunity—Administrative expense.....                           | 3, 500               |
| B. Research.....                                                                        | 1, 500               |
| C. Volunteer expenses.....                                                              | 5, 000               |
| Total appropriations request, fiscal year 1965.....                                     | 962, 500             |

<sup>1</sup> Utilizes existing Small Business Administration funding authority.

[From "Legislative Notes," Office of Education, Mar. 16, 1964]

### ECONOMIC OPPORTUNITY ACT OF 1964: A SUMMARY

The bill establishes the Office of Economic Opportunity in the Executive Office of the President. The Director of the Office is provided with coordinating powers with respect to existing Federal agency poverty-related programs, and with authority to carry out new programs to attack poverty. Operating functions of the new programs, except for the Job Corps, the community action program and the volunteers for America program, will be performed by other departments and agencies. Funds will be appropriated to the Director; it is anticipated that the first year program allocations will be:

#### *Program summary*

|                                                    | <i>Millions</i> |
|----------------------------------------------------|-----------------|
| Total.....                                         | \$962. 5        |
| I. Youth opportunity programs.....                 | 412. 5          |
| A. Job Corps.....                                  | 190. 0          |
| B. Work-training program.....                      | 150. 0          |
| C. Work-study program.....                         | 72. 5           |
| II. Urban and rural community action programs..... | 315. 0          |
| III. Rural economic opportunity programs.....      | 50. 0           |
| IV. Employment and investment incentives.....      | 25. 0           |
| A. Incentives for employment of unemployed.....    | 25. 0           |
| B. Small business loans.....                       | (1)             |
| V. Family unity through jobs.....                  | 150. 0          |
| VI. Volunteers and administration.....             | 10. 0           |

<sup>1</sup> Utilizes existing funding authority.

The bill contains six titles:

#### TITLE I—YOUTH PROGRAMS

*Part A.*—Establishes a Job Corps within the Office of Economic Opportunity, with responsibility for administering a program of education, work experience, and vocational training for youths aged 16 through 21. Two kinds of programs are envisaged—conservation camps providing useful work and basic education and residential training centers providing basic education and job training programs to increase employability.

*Part B.*—Authorizes the Director to enter into agreements with State and local governments or nonprofit agencies to pay part of the costs of part- or full-time employment for young men and women aged 16 through 21 to enable them to resume or continue their education or to increase their employability. This part of the program will be administered by the Department of Labor.

*Part C.*—Authorizes the Director to enter into agreements with institutions of higher learning to pay part of the costs of part-time employment for undergraduate, graduate, or professional students from low-income families in order to enable them to pursue courses of study at such institutions. This part of the program will be administered by the Department of Health, Education, and Welfare.



## TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Authorizes the Director to encourage and support community action programs which mobilize community resources to combat poverty and which are conducted by a local government unit or an organization which is broadly representative of the community. Elementary or secondary school education programs which receive Federal assistance will be administered by the public school system, and such programs must be open to all children regardless of whether they are regularly enrolled in the public schools. Assistance may be provided to communities in advance of the completion of the plan. Technical assistance in preparing and administering community programs may be furnished. Financial assistance from the Federal Government under this title will be 90 percent of the costs of the programs for the first 2 years and 75 percent thereafter. The Director will establish criteria for equitable distribution of Federal funds; not more than 12½ percent of total funds may be used within one State in any one year. Programs will be administered by the communities and will incorporate assistance from various Federal departments and agencies.

## TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

Authorizes grants up to \$1,500 to low-income rural families where such grants are likely to effect a permanent increase in the income of such families, and loans up to \$2,500 to finance nonagricultural income-producing enterprises for the same purpose. The Director may also provide assistance to nonprofit corporations to acquire land to be reconstituted into family farms, and make loans to cooperatives. Program will be administered by the Department of Agriculture.

## TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

*Part A.*—Authorizes the Director to make, participate in, or guarantee loans for investments which will employ hard-core unemployed or members of low-income families. These investments may be outside designated surplus labor areas, if they are part of a community action plan. Program will be administered by the Area Redevelopment Administration.

*Part B.*—Authorizes the Director to make, participate in, or guarantee loans to small businesses not in excess of \$15,000 on more liberal terms than the regular loan provisions of the Small Business Administration. Program will be administered by SBA.

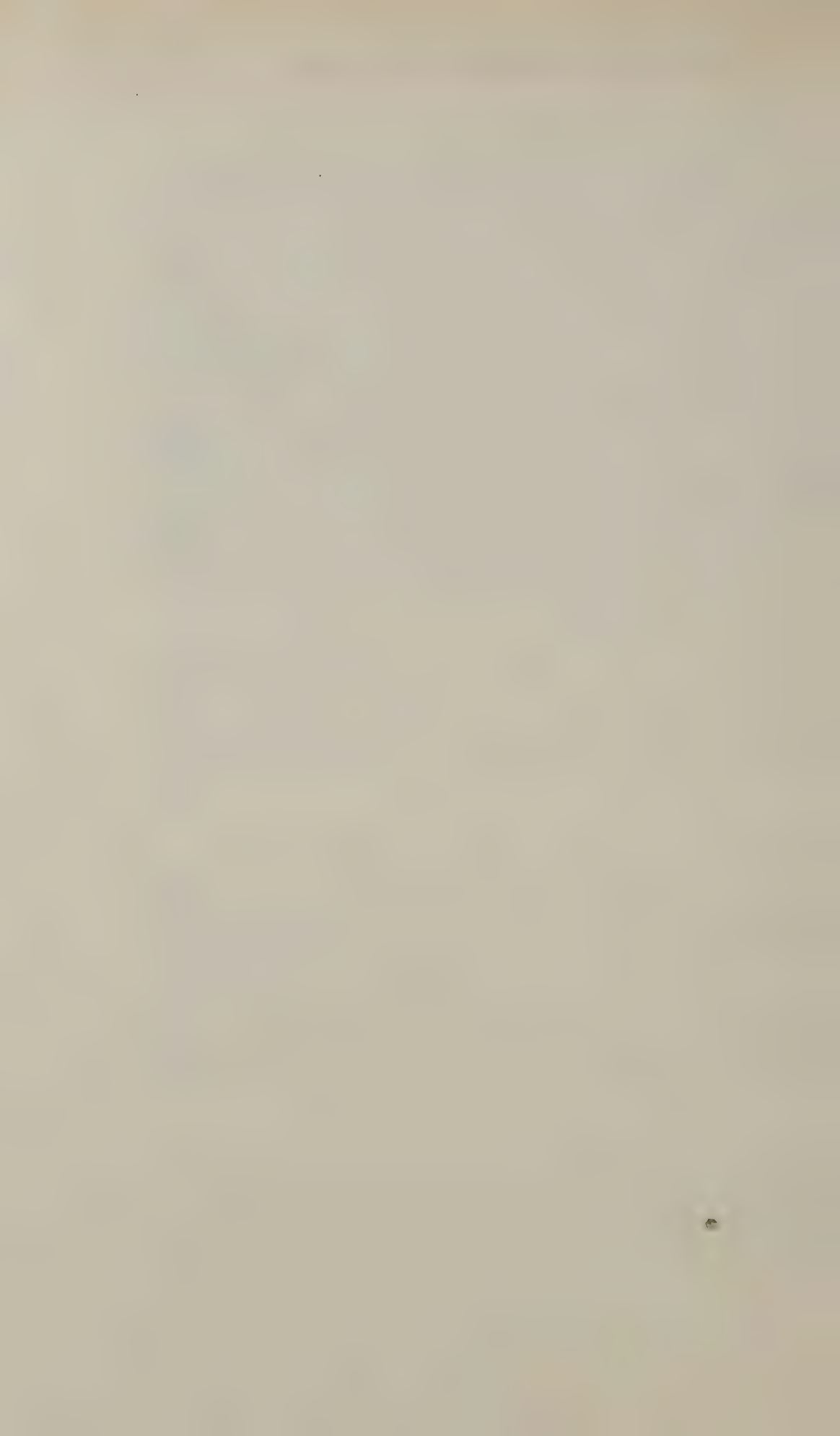
## TITLE V—FAMILY UNITY THROUGH JOBS

Authorizes the Director to transfer funds to HEW to pay costs of experimental, pilot or demonstration projects designed to stimulate the adoption in States of programs providing constructive work experience or training for unemployed fathers and other members of needy families with children.

## TITLE VI—ADMINISTRATION AND COORDINATION

Establishes the Office of Economic Opportunity. Authorizes the Director to recruit, select, and train volunteers, and to refer them to programs at the State or local level, or to utilize them, with appropriate allowances and benefits, in specified mental health, migrant, Indian, and other Federal programs, including the Job Corps. Establishes an Economic Opportunity Council made up of Federal officers, and a National Advisory Council of citizens appointed by the President to consult with and advise the Director. Also authorizes the Director to assist the President in coordinating the antipoverty efforts of all Federal agencies and requires other agencies, to the maximum extent feasible, to carry out poverty-related programs in a manner which will assist in carrying out the purposes of this bill. Provides that the President may direct that programs of Federal agencies be carried out, to the extent consistent with other applicable law, in conjunction with or in support of programs authorized by the bill. Requires heads of agencies, where possible, to give preference in their programing to community action programs. Authorizes the Director to take steps to insure that adequate information concerning all relevant Federal programs is readily available to public officials and other interested persons.

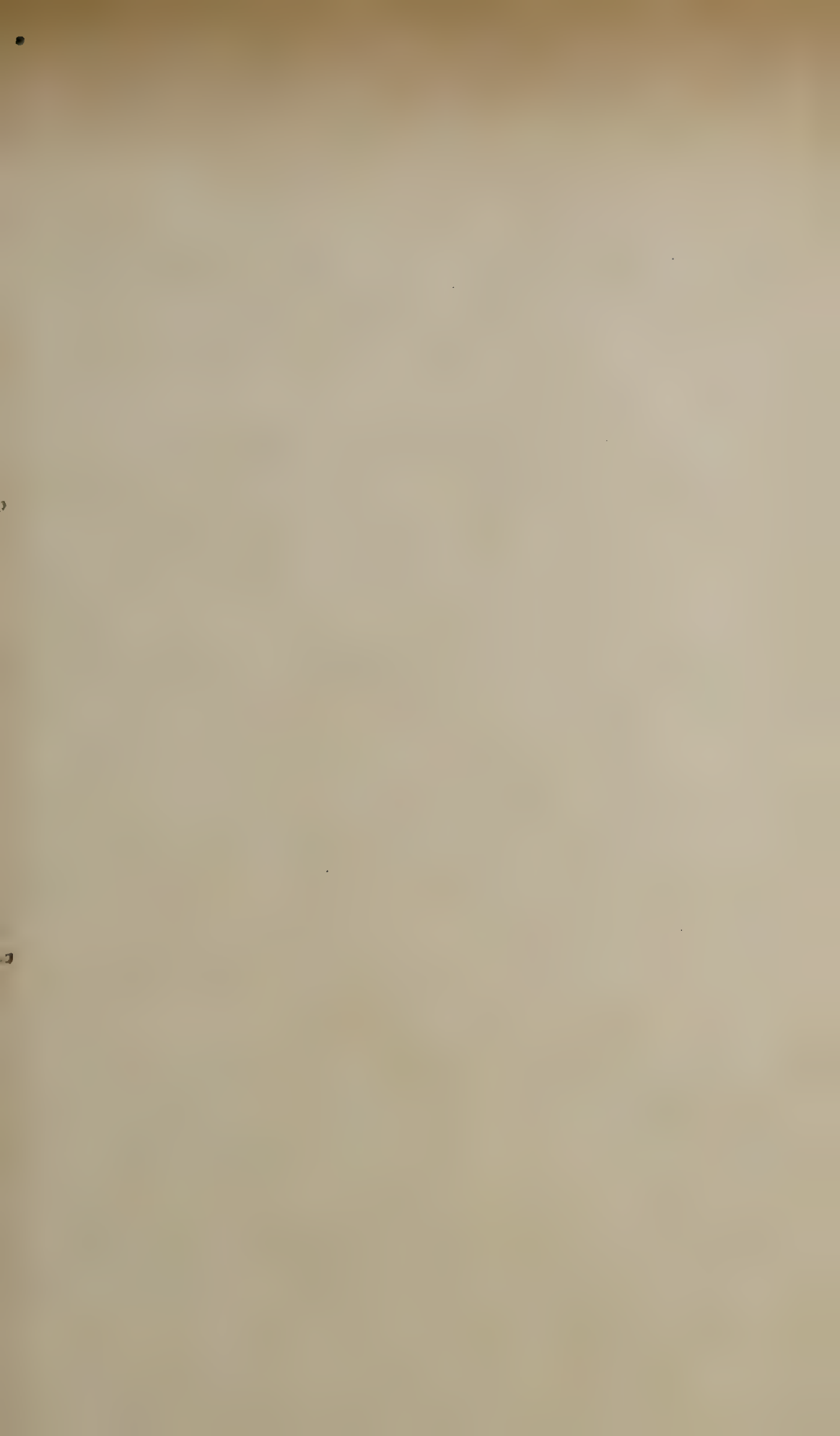
















In 1847, the choir performed only for the faithful of the valley. Now, the choir performs for millions. It is virtually impossible to tell how many people hear them over their weekly national radio broadcasts. The choir has been broadcasting for 35 consecutive years—the longest continuous program on the air today. The Sunday program is broadcast to 235 network stations, and some 50 more tapes are released to other stations, plus distribution through the armed services network and the Voice of America.

The choir is also well known in the recording field, having cut a number of disks, including their recording of the "Battle Hymn of the Republic," which has sold over half a million copies.

Among the motion pictures featuring the Mormon singers is the award-winning "With Music Ring." This was produced for worldwide television and theater release by the U.S. Information Agency.

Included in the repertoire of the choir are over 1,200 selections ranging through all fields of music, from church songs to folk tunes to songs of other faiths and popular pieces.

This tour is the 20th time in the choir's history that it has left its home in Salt Lake City. In 1955, the choir undertook its most extensive tour with a road trip through Europe. Its excellence was hailed everywhere, and "Standing room only" signs appeared at many performances.

The choir has appeared at the Seattle World's Fair and will go from here to appear at the New York World's Fair. It also traveled to Rapid City, S. Dak., to appear at the Mount Rushmore Memorial over the historic first live Telstar satellite broadcast.

The 375 members of this acclaimed and sought-after choir are not professional singers, but a cross section of Utah's nonprofessionals. One-third of the choir members are housewives. Among the ranks of the choir are a power lineman, a glass blower, an interpreter, and an interior decorator. There are 40 husband-wife combinations, and one family is represented by a husband, wife, son, and daughter-in-law.

These dedicated people drive as much as 45 miles to weekly rehearsals and Sunday performances. One of the past members, who was a cowboy, drove 130 miles one way to participate in the activities.

Directing the choir, Richard P. Condie commands the best abilities of the singers, now pleading for emphasis, now finding the most delicate way through a difficult passage. The friendly and gifted conductor, himself a fine tenor, has devoted virtually his whole life to the art of fine music.

The Mormon Tabernacle Choir, though it has achieved great renown, is a choir built on simple faith and dedication. It is a choir of everyday people offering their voices and their abilities to God in their devotion to Him.

#### A PART OF THE ADMINISTRATION'S WAR ON POVERTY

Mr. WILLIAMS of Delaware. Mr. President, today I wish to discuss a situation where the Government through the Farmers Home Administration is advancing over \$1,000 per acre to have farmland retired from production and diverted to recreational purposes.

The Farmers Home Administration was originally established for the purpose of aiding the small American farmer. As such it served a useful purpose.

But under the Kennedy-Johnson administration this agency has gone far afield from its original objective. Instead of representing an aid to the farmer its functions have been turned over to numerous political boondoggle schemes.

These new ventures have little or no connection with farming operations and they are extremely costly to the taxpayers, and while the cost is charged to the American farm program its benefits do not go to the farmer.

Under the guise of helping the farmer this agency is lending fantastic sums to start golf courses and to build public swimming pools, hunting lodges, and fish ponds.

At this point I ask unanimous consent to have printed in the RECORD a list of the loans in excess of \$50,000 which have been made by the Farmers Home Administration to construct golf courses and other recreational facilities.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

*Summary of Farmers Home Administration loans of \$50,000 or more made for recreational purposes and grazing since inception of program*

#### LOANS FOR RECREATIONAL PURPOSES

| Name of borrower                                 | Location of loan         | Amount of loan | Purpose of loan                                                                                           | Acres |
|--------------------------------------------------|--------------------------|----------------|-----------------------------------------------------------------------------------------------------------|-------|
| Caroline Country Club, Inc.                      | Caroline County, Md.     | \$151,190      | Golf course.                                                                                              | 136   |
| Vermillion Fairways, Inc.                        | St. Louis County, Minn.  | 95,000         | Golf course, clubhouse, swimming pool, shooting range, campsite, tennis court, and children's playground. |       |
| Quitman Country Club, Inc.                       | Clarke County, Miss.     | 50,400         | Golf course, clubhouse, swimming pool, tennis court, lake, land.                                          |       |
| Star Recreational Center.                        | Rankin County, Miss.     | 150,000        | Golf course, swimming pool, and other recreational areas.                                                 |       |
| Lucedale Country Club, Inc.                      | George County, Miss.     | 55,000         | Golf course.                                                                                              | 70    |
| Bolivar County Conservation League.              | Bolivar County, Miss.    | 120,000        | Fishing and hunting reservoir, picnicking and boating.                                                    | 500   |
| Cuming County Recreation Corp.                   | Cuming County, Nebr.     | 250,000        | Golf course, clubhouse, swimming pool, lake recreation area.                                              |       |
| Lake Von Community Club.                         | Chaves County, N. Mex.   | 60,000         | Golf, swimming, fishing, picnicking, and boating.                                                         | 55    |
| Clifton Springs Club, Inc.                       | Ontario County, N.Y.     | 275,000        | Golf course.                                                                                              | 165   |
| The Brushy Mountain Recreation Association, Inc. | Alexander County, N.C.   | 172,000        | Golf course, clubhouse, caretaker's residence, equipment shed, tennis courts, and shuffleboards.          |       |
| Duplin Country Club, Inc.                        | Duplin County, N.C.      | 100,000        | Golf course.                                                                                              | 60    |
| Piney Point Golf Club, Inc.                      | Stanley County, N.C.     | 260,000        | do.                                                                                                       | 160   |
| Pilot Knob Park, Inc.                            | Surrey County, N.C.      | 236,000        | Golf course, clubhouse, swimming pool, bathhouse, and picnic area.                                        |       |
| Clarendon County Club.                           | Clarendon County, S.C.   | 50,000         | Golf course, two tennis courts, equipment shed, paving and miscellaneous, pro shop.                       |       |
| McCormick Country Club, Inc.                     | McCormick County, S.C.   | 72,000         | Golf course, clubhouse, equipment shed, picnic area, and tennis courts.                                   |       |
| Arcadia Country Club, Inc.                       | Trempealeau County, Wis. | 91,500         | Golf course, remodel clubhouse.                                                                           |       |

#### LOANS FOR GRAZING

|                                     |                       |         |          |
|-------------------------------------|-----------------------|---------|----------|
| Prowers County Grazing Association. | Prowers County, Colo. | 375,000 | Grazing. |
|-------------------------------------|-----------------------|---------|----------|

Mr. WILLIAMS of Delaware. Mr. President, the agency has attempted to justify these loans on the basis that they resulted in the retirement of a substantial amount of farm acreage at a low cost to the taxpayers. That is not true. For instance:

In Caroline County, Md., 136 acres were retired with a \$151,190 loan. This is over \$1,000 per acre. In New Mexico

55 acres were retired from production with a loan of \$60,000, again over \$1,000 per acre. In North Carolina 60 acres were retired from production with a loan of \$100,000, or over \$1,500 per acre.

Other similar cases can be found on the loans of less than \$50,000 which were made for these same purposes.

At this point I ask unanimous consent to have printed in the RECORD a list of

the loans below \$50,000 which were made by the Farmers Home Administration to start golf courses and recreational areas. Here again fantastic investments for each acre retired from production were made by this agency.

There being no objection, the list was ordered to be printed in the RECORD, as follows:



## Association loans

| State and county       | Name of borrower                  | Recreation classification                      | Amount loaned for recreation | Acres used for recreation |
|------------------------|-----------------------------------|------------------------------------------------|------------------------------|---------------------------|
| Iowa:                  |                                   |                                                |                              |                           |
| Hardin                 | Hubbard Recreation Club           | Golf course                                    | \$38,000                     | 63                        |
| Clayton                | Backbone Golf & Country Club      | do                                             | 25,000                       | 56                        |
| Sioux                  | Sandy Hollow Golf Club            | do                                             | 40,000                       | 73                        |
| Minnesota: Stearnes    | Meadowlark Country Club           | do                                             | 33,500                       | 80                        |
| South Carolina: Dillon | Lake View Corp., Inc.             | Swimming pool and play area, tennis, softball. | 40,000                       | 3                         |
| South Dakota:          |                                   |                                                |                              |                           |
| Union                  | Alcester Golf Club                | Golf course                                    | 16,000                       | 38                        |
| Jerauld                | Wessington Springs Country Club   | do                                             | 8,200                        | 20                        |
| Texas: Gillespie       | Stonewall Chamber of Commerce     | Fairground—play area                           | 11,500                       | 4                         |
| Washington: Lincoln    | Harrington Golf & Country Club    | Golf course                                    | 45,000                       | 64                        |
| West Virginia: Marion  | Monongah Swimming Pool Club, Inc. | Swimming pool, park, playground.               | 32,000                       | 14                        |

Mr. WILLIAMS of Delaware. As if these large loans to start golf courses were not enough we find that in some cases the Department of Agriculture—in its generosity with the taxpayers' money—paid some of these borrowers extra amounts under the label of technical assistance.

In my opinion, there can be no possible justification for ever having authorized this agency, which was originally established for the benefit of the farmer, to direct its resources and its efforts toward starting golf courses and building country clubs or hunting preserves.

This is only another example of how a politically minded bureaucratic agency can go wild with the taxpayers' money as an election year approaches, particularly when it is encouraged in its activities by the administration in power.

At this point I ask unanimous consent to have printed in the RECORD a list of payments made by the Department of Agriculture to these various country clubs.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

*Costs of technical assistance provided to FHA borrowers by SCS technicians*

|                                                                          | <i>Cost of SCS technical assistance</i> |
|--------------------------------------------------------------------------|-----------------------------------------|
| Caroline Country Club, Inc., Caroline County, Md.                        | \$474.42                                |
| Vermillion Fairways, Inc., St. Louis County, Minn.                       | 310.00                                  |
| Quitman Country Club, Inc., Clarke County, Miss.                         | 347.14                                  |
| Star Recreational Center, Rankin County, Miss.                           | 113.82                                  |
| Lucedale County Club, Inc., George County, Miss.                         | 171.72                                  |
| Bolivar County, Conservation League, Bolivar County, Miss.               | 307.30                                  |
| Cuming County, Recreation Corp., Cuming County, Nebr.                    | 743.47                                  |
| Lake Van Community Club, Chaves County, N. Mex.                          | 161.00                                  |
| Clifton Springs Club, Inc., Ontario County, N.Y.                         | 460.00                                  |
| The Brushy Mountain Recreation Association, Inc., Alexander County, N.C. | 59.07                                   |
| Duplin Country Club, Inc., Duplin County, N.C.                           | 110.72                                  |
| Piney Point Golf Club, Inc., Stanley County, N.C.                        | 11.16                                   |
| Pilot Knob Park, Inc., Surry County, N.C.                                | 89.75                                   |
| Clarendon Country Club, Clarendon County, S.C.                           | 17.24                                   |

*Costs of technical assistance provided to FHA borrowers by SCS technicians—Con.*

|                                                           | <i>Cost of SCS technical assistance</i> |
|-----------------------------------------------------------|-----------------------------------------|
| McCormick County Club, Inc., McCormick County, S.C.       | \$498.80                                |
| Arcadia Country Club, Inc., Trempealeau County, Wis.      | 32.00                                   |
| Prowers County Grazing Association, Prowers County, Colo. | 1,630.00                                |

Mr. WILLIAMS of Delaware. Mr. President, since the Senate is debating a bill relating to the war on poverty, I ask unanimous consent that my remarks be entitled "A Part of the Administration's War on Poverty."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I would say to the distinguished Senator from Delaware that the bill we are discussing is the Economic Opportunities Act of 1964.

Mr. WILLIAMS of Delaware. Mr. President, perhaps the bill is called the Economic Opportunity Act of 1964, but it really should be called "The Political Boondoggle of 1964."

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

#### WAR ON POVERTY

Mr. THURMOND. Mr. President, those responsible for originating the so-called war on poverty bill are to be congratulated on reaching an alltime high level of proficiency and accomplishment on what is now apparently the new criteria for legislative proposals—an attractive and appealing title and slogan which obscure the bankrupt ideas and arbitrary powers which actually make up the bill. There may have been better catchword titles for bills before Congress, although I can recall none. There have probably been worse bills before Congress. Surely, however, there has never before been such an appealing title affixed to such a miserable content.

Just as poverty has been a plague to mankind throughout history, it has been a major concern to mankind. No one can be found who is in favor of poverty. It is easier to be against poverty than to be against sin, for men find it within

their nature to oppose poverty for themselves as well as for other people.

Many noble campaigns have been waged against poverty, and some of them have chalked up major accomplishments. All of the major religions of the world have laid stress on benevolences. The pages of history record the works of great philanthropists from the Egyptian Pharaoh who bestowed the land of Goshen on Joseph's famine-stricken Hebrew family, to the fabled Rockefeller's dimes. Even the most selfish men have shown concern for the existence of poverty: Hitler brought economically depressed Germany back to prosperity between 1934 and 1938.

Despite all of these campaigns against poverty, the words of Christ recorded in the 8th verse of the 12th chapter of John remain uncontradicted: "For the poor always ye have with you."

Although the poor will be with us always, this does not mean that any given level of physical want is inevitable for any given number of people. The word "poor" is relative by its very nature, and regardless of the absolute economic status, it will ever be applied to those in the lower portion of the economic spectrum.

In some areas of the world today, the word "poverty" is equated with literal starvation and death from exposure. In the United States, at least for the purposes of this proposal, the level of poverty falls where a family's annual cash income is less than \$3,000.

This standard, in itself, is testimony to the success of our unexcelled private enterprise system, which provides not only a greater quantity of material benefits for our society, but also provides for unsurpassed distribution of those benefits throughout the society. The most essential measure against poverty is to reduce the restraints of Government on our economic system so that it may continue to thrive and raise the total economic spectrum of our society, from top to bottom.

It is also imperative that the gains flowing from our private enterprise system be protected against the sapping influence of inflation, which is aggravated by nothing more than it is by Government deficit spending. The most fundamental responsibility of Government toward the reduction of poverty and the securing of a greater quantity of material benefits to those in the lowest income groups is to diminish the bureaucratic restraints on free enterprise and to put its own fiscal affairs in order. In terms of these fundamental prerequisites, the National Government has not recently indicated by its actions that it is as seriously interested in reducing poverty as it is in imposing the regimentation of its self-esteeming planning on all of our society through the power attending the spending of borrowed money.

Nor is this the only manner in which the National Government has recently demonstrated its unconcern, even disdain, for the material well-being of our less fortunate. Our foreign trade policies provide a pertinent example. According to a study just released by the Trade Relations Council of the United States,



during the period between 1958 and 1962, the net increase in imports and net decrease in exports have occasioned a loss to the Nation of more than 18,000 jobs—more than is the goal of this so-called antipoverty bill to create. While we were being so kind to other nations with trade concessions, we were helping with their struggle against poverty. In 1962, the unemployment rate in the United States was 5.6 percent. In Japan, it was 0.9 percent; in Belgium, 1.8 percent; in West Germany, 0.7 percent; in France, less than 1 percent; in the United Kingdom, 2 percent; in the Netherlands, 0.8 percent; and in Italy, 3.1 percent.

If the Congress is truly interested in taking steps to cut unemployment, and thereby reduce poverty, it should abide by the equitable maxim that "one must be just before he is generous." Too long have our trade policies been generous with American jobs. Quite significantly, the heaviest impact of our trade policies in terms of American jobs lost has fallen on those with lesser skills who have the most difficulty in finding new employment.

It is an undeniable fact that many in the United States today are in serious economic condition, although the situation is not nearly so catastrophic as some would picture it. For instance, the committee points out in its report that one-fifth of the families in the United States are poor—that is, have annual cash incomes of less than \$3,000. Included in this number are the more than one million members of the Armed Services of the United States who have annual cash incomes of less than \$3,000, which includes their food and housing. Nor are all of those in this one-fifth susceptible of being equipped for gainful employment by any program, for among this number are those unfortunates who are handicapped either physically or mentally, as well as those who have reached such advanced years as to be no longer able to work. These persons and their dependents must be cared for and their needs met, but although they are among the one-fifth classified as being in poverty, they are not the objects of the current legislative proposal. Also within the one-fifth are those who have no desire to become employed, or who render themselves unfit for employment by over-indulgence.

There does remain a group of persons who have health, disposition, and native ability but who, because of circumstance and fortune, and through no fault of their own, are not prepared to fill jobs which can be found. For these persons, much is now being done, both publicly, by the State and National Governments, and privately. According to the Secretary of Health, Education, and Welfare, the National Government is currently operating 42 programs carrying appropriations of \$31.8 billion designed to combat and overcome the causes of poverty.

From this the question logically arises as to whether this war-on-poverty bill contains some novel element other than its attractive title to explain the big promotion of still another program initiated at the \$1 billion level of expenditure. The answer is affirmative. There

is something new and novel in this package. It is a new manner of using governmental power, together with a more unrestrained grant of power than has been vested under our governmental system, at least until this year.

This is not just another Federal grant-in-aid program, where the National Government furnishes money to a program if the State will set it up and run it, nor a cooperative program of matching funds with the States, nor even one of those where the National Government imposes its will indirectly by setting standards which the States must meet to qualify for funds. This bill would authorize programs to be established by the National Government and operated at the local level by the National Government. The control will be direct, not indirect.

The very first title in the bill would authorize the establishment of a Job Corps for boys and girls between 16 and 22 years of age. These young people would be placed in camps of an undesignated number at undesignated locations and would be operated by Federal officials under the direction of Director of the Office of Economic Opportunity, more descriptively called the poverty czar. It is a drastic and sobering step to put large numbers of such young and impressionable people in the control of the Federal Government for any reason. In this instance, the actual reason is obscure, for Secretary of Labor Wirtz testified, and I quote:

There is no suggestion that this training program will qualify one of the enrollees for a skilled occupation. That we should dismiss completely.

Thus we have only one categorical assurance about the purpose of putting young people in "job camps," and that is to insure that during the years of their encampment, they will be insured against acquiring qualifications for skilled occupations. In view of Secretary Wirtz's candid statement, the name should be changed from Job Corps to "lost opportunity camps."

These "lost opportunity camps" provide a stark contrast of retrogression to effective programs conducted by local and State governments. South Carolina provides a good example.

South Carolina has a successful and effective technical education system. Eight schools are now graduating approximately 1,000 students each month, all of whom are employable in their own communities. These schools are operated by the joint efforts of the local communities and the State. The local communities have levied a 10-percent ad valorem tax to finance their share of the costs. The schools graduate both technicians and craftsmen. The cost is \$440 per student per year.

The "lost opportunity camps" will be operated at an estimated cost of \$4,700 per student per year. As excessive as is this dollar cost for what it will produce, it is exceeded by far by the cost in lost skills and opportunities which now exist to those who succumb to the lure of the Madison Avenue gloss which conceals the real nature of the "lost opportunity camps."

Possibly the most brazen concentra-

tion of power in the bill falls under the completely misleading and innocuous title of "Community action programs." These programs will be carried out in a community, but not necessarily by or for the community.

This title authorizes the poverty czar to pay to public or private nonprofit organizations up to 90 percent—and in special cases, 100 percent—of the cost of community action programs which are "focused upon the needs of low-income individuals or families." This broad grant of authority would include almost every conceivable private or public program dealing with health, welfare, education, housing, employment, or family life in any community or combination of communities.

The poverty czar would be virtually all powerful in these programs. Except for the limitation that not more than 12½ percent of the funds could be spent in any one State, the czar would have the arbitrary power to decide who gets the money and for what purpose the money could be spent.

Under this title, the poverty czar would have the power to make direct grants to public or private schools, including church schools. The only prohibition in the bill is that the aid to schools not be "general aid." There is no limitation on the form which "special aid" may take. In fact, there is no attempt in the bill to define either "general aid" or "special aid."

Under the innocent sounding title of "Community Action Programs," the poverty czar would not only have the power to finance the activities of such organizations as the National Council of Churches, the NAACP, SNCC, and CORE, but also a SNOOP and a SNORE which are sure to be organized to get their part of the green gravy.

I naively thought the Congress had finished with legislation on racial matters last month, for it was beyond my imagination what else on this subject could be conceived. Quite apparently, more fertile imaginations than mine were exercising, for this bill is pregnant with racial overtones. In addition, Poverty-Czar-Designate Sargent Shriver gave clear indication of how he would use his arbitrary powers under this bill when he told the NAACP convention, and I quote:

We cannot help today focusing our thoughts on another kind of poverty. For what is happening in Mississippi, what is happening to those three young men, is poverty—the poverty of American law, power, and spirit. The picture of that burned car in the Mississippi swamp shows the world how poor we are.

We have heard a lot of talk about backward people on other continents. But when we think of that burned car, and when we think back on Medgar Evers, Emmett Till, and other victims of our own violence here at home, we must ask ourselves: Who is really backward?

The clear implication of Mr. Shriver's remarks is that the community action programs will be aimed at what he considers to be America's poverty of spirit as well as economic poverty.

Never has there been such arbitrary and discretionary grants of power, free



of congressionally imposed guidelines, vested in a nonelective Federal official. Despite the fact that the bill is written in broad terms of "may" and "is authorized," and in spite of the fact that the poverty czar is specifically exempted from the application of numerous statutes for the conduct of governmental business, the bill contains no less than 30 such expressions as "in his discretion," "as the Director deems necessary," "as in his judgment" and "as determined by the Director." No other word but "czar" could describe a post with such a concentration of discretionary power.

Proposals for amending the Constitution to provide for an additional Vice President have, for good reasons, met with unfavorable response in the Congress. Yet this bill would make the poverty czar superior to and director of Cabinet officers, even though he is an appointed rather than an elected official. The aggregate of the unfettered powers vested by this bill go not even to the President, but to the poverty czar, directly.

One of the most fiercely debated matters which comes before Congress is Federal aid to education. Those Federal aid to education bills which have passed are those that have been camouflaged in some other guise, such as national defense. This bill is also a Federal aid to education bill. The work-study programs embodied in part C of title I are nothing short of Federal aid to education, under a deceptive title. It provides for grants for part-time employment of college students in various capacities with the accent on community action programs.

In actuality, however, the bill is more than an authorization of Federal aid to education—it is an authorization of Federal education. The "work-training programs," the "adult basic education programs," and most significantly, the Job Corps are direct Federal education efforts. These educational systems would be financed and controlled by the poverty czar. There can be no argument that no Federal control exists here, for there is no agency involved but the National Government.

The bill also pays special attention to, and makes special provision for, rural and farm families, although the concern was not sufficient to justify having the Agriculture Committee consider the bill nor to provide that it be administered by the Agriculture Department. The poverty czar is vested with sufficient discretion by this bill to do for—or in—the rural as well as the urban families.

The poverty czar would be granted the authority to make grants up to \$1,500, and loans up to \$2,500, to those farm families whose operations were so unpromising that they could not qualify for loans from the Farmers Home Administration. The discretion of the czar as to whom and for what purpose he makes these grants and loans are practically unlimited.

The title of the bill on rural poverty also includes a "land reform" program. Under this proposal, the poverty czar could finance "rural development corporations" who would buy up large

tracts of land, divide them into what the czar decides are "family sized" farms, and sell them to farmers at less than cost, on "soft credit" terms. The czar would have the power to prescribe the rules for the organization, operations, and activities of the rural development corporations, to decide what constitutes a "low income" farm family and also which families could get the help.

This "land reform" program is a replica of the farm resettlement program of the 1930's, which was investigated by a select committee of the House Agriculture Committee in 1944 and whose report included the following findings:

The investigation disclosed that, beginning with the administration of Rexford G. Tugwell and continuing throughout the administration of C. B. Baldwin, the Farm Security Administration was financing communistic resettlement projects, where the families could never own homes or be paid for all that they made or for all the time they worked, and was supervising its borrowers to the extent of telling the borrower how to raise his children, how to plan his homelife, and, it is strongly suspected in some cases, how to vote. Some families were "kept on the Government" indefinitely, while other families that were willing to work just as hard and do their best to pay their debts, would not get any help from the Government at all.

Families have been colonized, regimented, and supervised to an extent which cannot possibly be justified. It has been insisted arbitrarily that they keep records which many of them have found impossible to keep and maintain. They have been told what crops to plant and how they must be cultivated. They have been told from whom they must purchase and to whom they must sell. Their bank accounts have been completely controlled and kept under joint ownership by the Government, and they have not even been permitted to select their own work stock and other equipment. Supervisors of the Farm Security Administration have insisted upon discussing with members of the family the most intimate relationships.

As a result of those factors previously discussed in this report, the committee is of the opinion that, up to the time of the recent changes in those in authority over Farm Security Administration, that agency has not been wisely administered and has been used as an experiment station of un-American ideas and economic and social theories of little or questionable value.

The committee sees no need for the present duplication of Federal agencies furnishing analogous types of services to low-income farmers. Such duplication undoubtedly causes loss of Government manpower, increases Government expenses, and creates confusion in the minds of farmers who must necessarily utilize that type of credit.

About most of this bill Norman Thomas, often socialist party candidate for President, was correct when he praised it as a "socialistic approach." The land reform program comes not from the socialist platform, however, but from that of the Communists. In 1955, the National Farm Commission of the Communist Party, U.S.A., adopted this collectivist gem:

Sharecroppers and tenants, Negro and white, should be aided to become owners. The Government to buy up tracts of land and make productive farms available to sharecroppers, tenants, and farmworkers on a low-cost basis.

The poverty czar is also authorized to finance, through loans, cooperative asso-

ciations which furnish services to low-income rural families.

In point of fact, this program appears to come directly out of our foreign aid programs for Latin America. It looks as if we are now going to impose some of the same socialistic devices on our own people that we have tried so hard to ram down the throats of our Latin American neighbors. Indeed, I recall one Latin American visitor who said of the State Department's zeal for land reform programs under the Alliance for Progress:

Why do you try to tell us how to do land reform? You have no experience in land reform. Go condemn the King Ranch in Texas (the largest in the United States), divide it up in small farms and then come share your experience with us.

Perhaps this section is designed to make guinea pigs of poor American farm families, so we can develop some experience in our bureaucrats to meet our Latin American friend's objection, but I fear this reasoning to be overly charitable.

The fiscal aspects of this bill also deserve some comment. The first year's operation would involve some \$962.5 million, not including the poverty czar's small business loans, which would come out of the revolving fund of the Small Business Administration, and which the czar "may," if it suits his whim, let the Small Business Administration administer.

Clearly, both past experience and the language of the bill indicate that demands for increased authorizations will be made in subsequent years. Authorizations for the second and third years of these programs are not provided in this bill, although some of the programs are for a minimum of 2 years, operation by the bill's specific mandate. As was the case with the Peace Corps, the total number of people authorized will be taken into the programs in the first year, but will not have completed their hitch, so the size of the programs will have to be doubled in order to keep the programs going.

This program does not replace any program now in existence. It is supplementary, and the cost for the new program will all be over and above the income of the National Government. Whatever is spent on the implementation of this bill will be deficit spending, and the debt thus created will be passed directly to the younger generations for whose ostensible benefit this bill is designed.

It is adding insult to injury for future generations for us to engage in deficit spending to implement these reactionary, alien, duplicative, socialist and collectivist programs.

I urge that the Senate reject this attempt to foster a Trojan horse filled with socialism and collectivism on the American people.

THE POVERTY BILL AND THE AMERICAN INDIANS

Mr. McGOVERN. Mr. President, as one of the coauthors of S. 2642, the Economic Opportunity Act of 1964, my greatest concern is with its adequacy to meet, in a reasonable period of time, the real needs of the impoverished.



I wish it were possible to initiate a much broader, larger, long-range program which would assure within the next few years employment, vocational training, educational opportunity, adequate health services, and decent housing to the impoverished in all age groups. I recognize, however, that the only attainable program now is to attack the problems modestly, develop economical and effective techniques as we proceed, and expand the effort as rapidly as planning and national acceptance permit.

I should like very much to see the Job Corps bill for unemployed past 22 years of age, which I have joined the Senator from Wisconsin [Mr. NELSON] in sponsoring, passed at this session of Congress. There is great need for it.

As a Representative of the State of South Dakota, with a sizable impoverished Indian population, I would be pleased if the measure contained more specific reference to the problems of poverty among our Indian citizens who are a special responsibility of our Government.

When I entered Congress in 1957, I proposed an Indian point 4 program in House Concurrent Resolution 160 of the 85th Congress. At that time, I spoke of the "climate of disillusionment, hopelessness, and despair" among the Indian people in my State.

There has been a modest improvement in the outlook. Under Commissioner Philo Nash, the Bureau of Indian Affairs in the past 3 years has enlarged some old programs and initiated new ones, to improve the situation. Efforts are underway with some success to provide more adult education, college scholarships, and vocational training; to attract industries to the reservations, develop tourist attractions, plan other economic developments, improve housing, and encourage increased Indian participation in community affairs.

There has been progress; but at the rates of progress possible under current programs, the Indian problem will remain with us for many, many years.

A national conference on poverty among the Indians was held on the grounds of the National Cathedral, here in Washington, in May. It was sponsored by the Council on Indian Affairs. In his keynote address to the conference, our distinguished majority whip, the Senator from Minnesota [Mr. HUMPHREY], told the meeting:

Poverty is the everyday life of the American Indian \* \* \*. We are going to make that move on poverty an all-out war.

Nothing short of all-out war of several years duration on the conditions under which most of our Indian people live will in our time bring solutions to their problems. This fact lies behind my own concern with the adequacy of the poverty bill now before us.

In this era of miracle drugs and medicines, the Indians still have an average lifespan of only 42 years. Children born to Indians have only one-half the chance of their white brothers to survive the first year after birth.

With a work force of 112,000, the median family income of our Indian people is \$1,500 per year—a little over one-

fourth the national average, and one-half the \$3,000 level sometimes described as the line at which poverty is clearly apparent.

More than one-half of the American Indians live in inadequate one-room or two-room dwellings.

Seventy percent of the water supply of our Indians comes from sources which are contaminated or unsafe.

Eighty percent of our Indian population must haul or carry water for domestic use from distant wells.

The average schooling of young adults on Indian reservations is only 8 years—only two-thirds the national average.

Unfortunately, because of language difficulties and other special problems, many Indian children are unable to speak English well when they leave the eighth grade. The quality of the education they receive, on the average, in their 8 years of schooling does not equal that obtained in the same period by other children.

The attack on poverty among the Indian peoples must be a war with many fronts. There need to be economic development and jobs for adults, and especially for family heads. There must be improved education. There must be adequate health service. There must be decent housing, and assistance to adults in creating homes where dignity, hope, and some measure of ambition among family members—especially the younger generation—can exist.

The May conference on poverty among our Indian citizens saw real hope in the Economic Opportunity Act now before us, and adopted a very explicit set of criteria or requirements which the participants regarded as essential in order to assure that it will benefit Indian people.

I have reviewed those recommendations carefully, and have compared the provisions of the Economic Opportunity Act now before us with them.

It is disappointing to me that the Act does not, within its language, make specific reference to Indian problems and does not explicitly state that Indian tribal organizations qualify as "communities" or local governmental agencies eligible to sponsor programs and projects under the act. However, the legislative history of the act shows clearly that they are so regarded; and I accept that interpretation and legislative history as binding.

During the Senate committee hearings on the measure, the Senator from Montana [Mr. METCALF] raised the question of Indian coverage under the bill; and a prepared statement was provided by Sargent Shriver, Director of the President's Task Force on the War Against Poverty. In it, he described the applicability of the act to Indian people. In that statement, Mr. Shriver stated:

Indian tribal groups would be expected to develop work-training programs in the same way as States or other local public agencies. We expect tribal groups to be in the forefront of developing community action programs.

In a subsequent colloquy with Senator METCALF, Mr. Shriver affirmed that tribal governments would be considered "communities," and on the same basis as a

municipality, county government, or State government.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement on the applicability of the act to Indians which was submitted by Mr. Shriver, and also a very brief excerpt from the colloquy between Senator METCALF and the Task Force Director.

There being no objection, the statement and the excerpt were ordered to be printed in the RECORD, as follows:

STATEMENT TO THE COMMITTEE ON LABOR AND PUBLIC WELFARE BY R. SARGENT SHRIVER, JR., IN REGARD TO AMERICAN INDIANS AND THE WAR ON POVERTY PROGRAM

Mr. Chairman, the subject of poverty among American Indians has been brought into sharp focus in recent weeks, first by a conference on Indian poverty here in Washington, D.C., a little over a month ago, and again earlier this week in a conference called by Secretary of the Interior Udall, in Santa Fe, N. Mex. Members of the President's task force participated in both conferences, at which the great needs of many thousands of American Indian families and individuals were discussed in relation to the proposed antipoverty legislation.

As a group, Indians are among the Nation's poorest. Average family income is only \$1,500, a bare 50 percent of the general poverty cutoff of \$3,000. Average educational attainment is half the national average. Sixty thousand new homes are needed for Indian families. High school dropouts are 1½ times the national average. Unemployment is seven and eight times the national average. The average age of death on the reservation is 42 years, two-thirds the figure for the national population.

The widespread problems of Indian poverty were only tackled in earnest 30 years ago. Much has been accomplished, but very much more remains to be done.

Every title of the bill can help alleviate Indian poverty. We expect broad participation by Indian and tribal communities all across the Nation. In every program there must be strong Indian involvement for consent and development. Secretary Udall, Bureau of Indian Affairs officials, and many representatives of Indian tribes and communities are pledged to vigorous participation in the attack on poverty.

Indian tribal groups have expressed great interest in the Job Corps conservation camps. Conservation needs on Indian lands constitute a massive backlog of unfinished work. In forestry alone, more than 10,000 man-years of work needs to be done. In irrigation, soil and moisture conservation, and other improvements of grazing and agricultural resources there is a backlog of another 54,000 man-years of needed effort. Job Corps experience and training for Indian youth can add greatly to the ability of the tribes and its members to share fully in a more abundant and useful life.

Indian tribal groups would be expected to develop work-training programs in the same way as States or other local public agencies, or together with such local agencies.

Indian youth in institutions of higher education having a work-study program contract would be eligible to benefit.

We expect tribal groups to be in the forefront of developing community action programs. One reservation (Pine Ridge, S. Dak.) has already made such a submission. Such programs could be developed around reservation needs, or could be developed to involve Indians and non-Indians, according to the needs of the local community.

We would look for the development of joint plans with the States in adult basic education programs involving Indians. Indian farmers who could obtain help from



no other source would be eligible for grants and loans to assist them out of poverty.

Indian small businessmen would be eligible for loans under title IV, providing a new source for what is now inadequate credit for Indian enterprises.

Indian people are helped by the Social Security Act under State plans. Demonstration projects involving Indians under title V are possible and would be welcomed.

The VISTA program authorized by title VI of the bill specifically mentions the possible role of volunteers on Indian reservations. From indications given by various Indian groups when the National Service Corps was being considered it is expected that Indians will particularly welcome this part of the program. Volunteers are now being used with great success in summer programs. The opportunities for significant contribution by VISTA personnel on Indian reservations are many.

Every aspect of this bill can be brought to focus on Indian poverty. With the tools available it is likely that every one of them will find a useful application to meet a specific local need. These new tools would be important supplements for programs in Indian affairs by making it feasible to do jobs, reach people, and provide opportunities not now possible.

EXCERPT FROM THE TESTIMONY OF DIRECTOR R. SARGENT SHRIVER JR., ON APPLICABILITY OF POVERTY PROGRAM TO INDIAN PEOPLES

Senator METCALF. We are not going to be able to help every Indian reservation because it would take more than the money authorized in the bill. I just want to make sure that these tremendously poverty-stricken people are at least given their fair share of the consideration.

I am glad that you again have brought out the community facility program. Are tribal councils and tribal governments considered as communities under the community facilities program?

Mr. SHRIVER. Yes.

Senator METCALF. They would come in on the same basis as a municipality, county government, or State government.

Mr. SHRIVER. Yes.

Mr. McGOVERN. Mr. President, with these interpretations of the act under which the programs for development of employment opportunities, of rural areas, counselling services, housing loans and projects, and other aids can be made available directly to the Indian people, without the necessity of sponsorship by some intermediate bureau or level of government, the criteria of the Conference on Indian Poverty are substantially met by the bill before us.

The conference suggested that a deputy director of the program for Indians be provided. I am assured that highly placed personnel will be giving attention to the special problems of Indian people, thus meeting another of the criteria or requirements.

It should not be necessary for me to say that I strongly advocate an aggressive antipoverty program for all our impoverished. My discussion of the special problems of Indians is in no way intended to imply that they are my sole concern.

They are on my mind, and in my heart—as the situation of the “original Americans” should be on the conscience of all of us—partly because the condition of the Indian people in South Dakota is especially distressing.

In my State, there are 30,000 Indians, with a work force of 7,400. More than half of them have been unemployed for

several years. This is seven or eight times the national average. Median family income is \$1,200, or \$300 less than the national Indian average, and only 40 percent of the \$3,000 poverty cutoff figure.

In general, our South Dakota reservations consist of broken river land, plains, and hills, which limit agriculture primarily to ranching. Uncertain weather and growing seasons of varying length inhibit expansion of this part of the economy. There are few timber or mineral resources. Because of this lack of economic opportunity, it is a lamentable fact that the impoverished condition of our Indians is self-perpetuating. When left to their own human devices and elemental skills, generation after generation will share the heritage of poverty and disillusionment.

To break the cycle of Indian poverty, we need to concentrate on the same broad program of economic, technical, educational, and social development that has characterized our overseas point 4 assistance program.

I consider economic opportunity to be of first priority, followed by programs designed to provide adequate educational and vocational training, better housing, and improved public health and sanitation.

In recent years, under the leadership of Phil Leo Nash, the Bureau of Indian Affairs has made considerable progress in developing the resources of the reservations.

An effort to develop economic opportunities on the reservations has been undertaken in the past 3 years by the Area Redevelopment Administration, as part of its program of bringing relief to economically depressed areas of the country.

The Big Bend Dam, a recent Corps of Engineers project, lies across the Missouri River, about 50 miles south of Pierre, the State capital. The lake behind this dam will extend upstream for 80 miles, and will have a shoreline of about 200 miles and a water surface area of nearly 56,000 acres.

Two Indian reservations, the Crow Creek Sioux and the Lower Brule, adjoin the future reservoir throughout the greater part of its length. These reservations and the adjacent areas included in the Big Bend redevelopment areas are among the most economically depressed of the Nation.

The Area Redevelopment Administration recently completed a survey of the economic potential of the Big Bend area which measured the effect of the new dam and the recreational possibilities of the new lake being formed behind the dam.

The 10-point report detailed a program for developing these recreational facilities. It included recommendations for a tourist facility which would employ about 175 workers. The Lower Brule Sioux have endorsed the project, and have voted to invest \$300,000 to \$400,000 of tribal funds in the tourist facility.

Farther upstream on the Missouri, above Pierre, another Corps of Engineers dam, the Oahe, has flooded many acres of the Standing Rock and Cheyenne

River Reservations. The tribes have been compensated by the Federal Government for the flooded land. Displaced Indian ranchers, who had been using the land for cattle grazing, have each received \$10,000 in cash and 30 head of cattle. The ARA is helping 100 of these displaced Indian cattlemen to master the intricacies of modern ranch management.

The ARA has also trained 16 Pine Ridge Sioux Indians as carpenters. They are working on a self-help Public Housing Administration program designed to provide improved housing for low-income Indian families. When this housing program is completed, the ARA-trained Indians will provide maintenance for the project.

But by no means can these economic development measures to date be considered a complete answer to Indian needs. At best, they will provide employment for 291 of the 7,400 available Indian workers. They represent a start, but only a start, in the provision of economic opportunity, in meeting the first of the four major needs of an adequate program.

#### EDUCATION

Because of poverty and the lack of economic opportunity of Indian people in the past, the education of Indian children—the coming generation of adults—is more complex and difficult than usual. We are now attempting to meet these abnormal problems with subnormal schools and facilities.

Undernourished children; children from the homes of illiterate parents, where they have no reading materials or no encouragement to obtain an education; children without adequate clothing, who live with a dozen people in one room—children with every sort of handicap—are present on reservations. Education depends on more than teaching the three R's. School lunches, adequate clothing, inspiring teachers, library facilities, recognition of special problems—all of them are essential to an effective educational program under the circumstances which exist on our reservations.

We have had the good fortune to have an extensive research study made of the educational problems at the Pine Ridge Reservation, in South Dakota, by Dr. Murray Wax, a trained sociologist, and his wife, Rosalie Wax, an anthropologist, both of Emory University, at Atlanta, Ga. They were assisted by two Indian graduate students and residents of the Pine Ridge Reservation. Their study was recently published by the National Association of Social Scientists. It describes the present Indian school system as a failure.

A gulf exists between the Government-controlled and directed schools and the Indian people, who have no participation in school operation and management.

There is a consequent gulf between teachers and students. The children cling to their native Indian language. The teaching of English is archaic; and the researchers found that most eighth grade Indian students do not speak English fluently.



Dr. and Mrs. Wax have made a series of recommendations for basic and thorough reorganization of the school system at Pine Ridge—recommendations applicable to a very considerable degree to other reservations.

The establishment of new goals, better paid and more competent teaching staffs, and Indian community participation in school operation and management decisions, the provision of off-reservation secondary education—a whole series of reforms, including provision of some additional facilities—are included in the recommendations.

This study of the present system and needs at Pine Ridge indicates that if there is to be a generation of Indian citizens with training which will enable them to become effective members of our society, we must recast our Indian educational efforts.

The Economic Opportunity Act offers an opportunity to attack several of the facets of the educational problem, including enlistment of community and parental interest in school affairs, counseling service, supplemental vocational training, and work-education opportunities.

I hope and trust that the Bureau of Indian Affairs and the new Office of Economic Opportunity will make the fullest use of the opportunity the measure before us provides for initiating needed Indian educational reforms.

#### HOUSING

Similarly, I can see in the act now pending numerous ways in which the housing and health problems can be attacked. These are indicated in Director Shriver's statement which I have submitted for the RECORD.

Several years ago, we undertook a pilot project in the housing field at the Pine Ridge reservation, in South Dakota. The Public Housing Authority authorized construction of 51 new homes there. The extension service of the South Dakota State College now reports that a new sense of dignity and purposefulness is apparent among the people who occupy those homes. The feasibility of a plan under which the future owner of a new home contributes his own labor to its construction is now being studied. It is indicated that this system will reduce housing costs by an average of 28 percent. This will bring the cost of new housing within the means of many more Indian families, and will provide the basis for small enterprises and considerable employment. The possibility of cooperation by the Housing and Home Finance, the Small Business Administration, and the Office of Economic Opportunity in such a program should be explored.

#### HEALTH

It is readily apparent that a great many health and sanitation projects—which now constitute one of the four major reservation problems—can be undertaken under the community projects feature of the Economic Opportunity Act.

In this area and in the other areas of the Indian point 4 program which I have described, I feel sure that the pres-

ent progress on our Indian reservations can be greatly accelerated.

Consequently, I urge, as the representative of a State where Indian poverty is a major problem, that S. 2642 be passed, and that in its subsequent administration there be every effort to use it to solve both the immediate and the basic problems of our original Americans and of all other Americans who are in need.

#### IN THE MIDST OF PLENTY

Mr. PELL. Mr. President, recently, my good friend and fellow Rhode Islander, Ben Bagdikian, authored a book entitled "In the Midst of Plenty." It is a tragically correct portrait of our poor. It describes one-fifth of the population of our Nation, the wealthiest in the world—the silent, invisible humans we rarely see, and even more rarely hear from.

We are discussing a modest program which will provide some opportunity for our less fortunate citizens. It will provide a chance for some of the 12 million children, who are hostages of poverty, to work, to learn job skills, and to gain an education that normally would be beyond their dreams. It will enable many persons who now can afford only a cheap, fatty diet—which produces apathy, rather than vigor—to live a little better. It will bring education and greater opportunity to many adults, and also a chance to regain a dignity that is so vital to the human spirit.

No State has a monopoly on wealth. All the States have their poor. In my own State of Rhode Island, there are 37,000 families and nearly 58,000 unrelated individuals with an annual income of less than \$3,000. These people are important. They are not mere numbers or statistics, but are very real human beings who are trapped in a vicious cycle, from which there is no escape unless we help them.

This program is—as I have said—a modest one. For instance, the work-study program to assist college students would amount to only approximately \$300,000 for Rhode Island; but this could help nearly 1,000 students in my State to get an education. This bill would bring to Rhode Island \$933,000 for community-action programs, which in turn would generate more jobs and more opportunities. It would provide over \$100,000 for adult education programs. Although this would not accommodate all of the 48,000 Rhode Islanders over 18 years of age who have less than a sixth grade education, it would help a substantial number of them.

There is no question that this act is only a first step, but it is in the right direction. It is an action program entirely consistent with the Constitutional mandate to Congress to promote the general welfare. It will bring hope to thousands who have abandoned all hope, and who have had every reason to doubt that their Government in Washington would be for all the people.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The pending question is on agreeing to amendment No. 1126, proposed by the Senator from New York [Mr. JAVITS], upon which there is a limitation of 45 minutes debate on a side.

The Senator from New York has 43 minutes remaining, and the opponents have 45 minutes.

On the bill itself, the proponents have 1 hour and 53 minutes remaining, and the opponents have 1 hour and 58 minutes.

Mr. MANSFIELD. Mr. President, I yield myself 5 minutes under the bill.

#### MONTANA LIBRARY ASSOCIATION

Mr. MANSFIELD. Mr. President, I yield myself 5 minutes under the bill.

Mr. President, I am very much pleased to announce that the Montana Library Association was unanimously declared the runner-up in the Grolier National Library Week Award competition. This is the first year that this award has been offered as established by the Grolier, Inc., publishing firm. The purpose of this award is to draw attention to the work of all libraries throughout the country.

Honorable mention citations went to associations in Indiana, Louisiana, Minnesota, Mississippi, and Missouri.

Every community in the Treasure State can be justly proud and pleased with this honor. I wish to take this opportunity to congratulate all of those who have worked with the National Library Week in the State, especially the State chairman, Randall Swanberg, of Great Falls. It is my understanding that Montana's high rating was brought about by the 100-percent participation displayed by all the State librarians and local groups in the year-round program for "better read, better informed America." This honor bestowed on Montana is just another major step forward in the very energetic program designed to develop better library services throughout the State.

#### INDIANS HONOR LT. COL. THOMAS W. BEAVERS, OF MALMSTROM AIR FORCE BASE

Mr. MANSFIELD. Mr. President, as the Senate well knows, there was severe flooding in Montana about a month ago in the Flathead area on the west side of the Continental Divide and in the Black-foot Indian Reservation and Sun River area on the eastern side of the divide.

During the course of the tragedy many of our people lost their lives. Some have not been found as yet. But at the present time Montana is pulling itself out of the mud, so to speak, and rebuilding as rapidly as possible.

I cannot give too much credit to the officers and men at the Malmstrom Air Force Base at Great Falls, Mont., for the magnificent work they did in rescuing



and looking after the victims of the flooded area. One of these men was Lt. Col. Thomas W. Beavers, chief of the helicopter branch at Malmstrom Air Force Base. Colonel Beavers is in command of the helicopter section, 341st Combat Support Group, at Malmstrom. Colonel Beavers' 13 helicopters did outstanding work in rescuing people, warning others of impending danger, and doing everything which could be done to alleviate the distress caused by the disaster.

I am glad to note that the Blackfeet Indian Tribe inducted Lt. Col. Thomas W. Beavers, of Marthaville, La., into the Blackfeet Indian Tribe on July 16 of this year.

Colonel Beavers was inducted into the tribe at Browning during the 13th annual North American Indian Days celebration in a ceremony led by Chief Dan Bull Plume. The chief, speaking through an interpreter, gave Beavers his Indian name, which is "Chief Mean Eagle," and paid tribute to the important role the military has played in the defense of our Nation and the vital role that our neighbors to the south at Malmstrom Air Force Base are playing in defense of our United States."

I join Chief Dan Bull Plume, of the Blackfeet Indians, in commending Colonel Beavers. I wish also to emphasize again that the work performed by the officers and men at the Malmstrom Air Force Base was of the highest dependability and is in full accord with the fine traditions of the Air Force. They were indeed a mainstay in preventing the tragedy from becoming far worse than it was.

I ask unanimous consent that I may insert in the RECORD an article from the Great Falls, Mont., Tribune entitled "Indians Honor AF Copter Hero."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### INDIANS HONOR AF COPTER HERO

BROWNING.—Lt. Col. Thomas W. Beavers, chief of the helicopter branch at Malmstrom Air Force Base, who flew many life-saving and mercy missions onto the Blackfeet Indian Reservation during the June 8-10 floods, has been inducted into the Blackfeet Indian Tribe and given the name "Chief Mean Eagle."

Beavers was inducted into the tribe at Browning during the 13th annual North American Indian Days celebration in a ceremony led by Chief Dan Bull Plume. The chief, speaking through an interpreter, gave Beavers his Indian name and paid tribute to the "important role the military has played in the defense of our Nation and the vital role that our neighbors to the south at Malmstrom Air Force Base are playing in defense of our United States."

The Air Force helicopter pilot in turn presented the Indian chief with a plaque and a membership to the helicopter section, 341st Combat Support Group, at Malmstrom.

More than 2,000 members of the tribe attended the ceremony. Beavers, Marthaville, La., piloted the same CH3C helicopter to the celebration that he used in the flood rescue mission. It is the newest type in use by the Air Force.

Speaking of the Blackfeet, he said "They are a proud and heroic people. They proved this most vividly during and after the tragic disaster in the Browning area in June."

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. BARTLETT. Mr. President, will the Senator yield to me 3 minutes?

Mr. McNAMARA. I yield 3 minutes to the Senator from Alaska.

Mr. BARTLETT. Mr. President, on March 16, 1964, the President of the United States sent his message on poverty to the Senate. In that speech he suggested a goal for national pursuit: "An America in which every citizen shares all the opportunities of his society, in which every man has a chance to advance his welfare to the limit of his capacities."

On that same day, the distinguished senior Senator from Michigan [Mr. McNAMARA] introduced, and I cosponsored, a bill (S. 2642) "to mobilize the human and financial resources of the Nation to combat poverty in the United States." A special subcommittee of the Committee on Labor and Public Welfare has held hearings on the legislation and the committee has reported an altered bill, improved in many respects. This measure is similar to H.R. 11377, reported by the House Committee on Education and Labor on June 3 and now pending in the House Rules Committee.

Today, Mr. President, I wish to consider this Economic Opportunity Act as it relates to Alaska. I intend to discuss the various provisions of the measure and what they might mean, as they are implemented and take concrete form, in the 49th State.

Certainly Alaska knows economic hardship. Michael Harrington has written eloquently of the ironic persistence of "the other America," the America of the poor, in a context of national affluence. Similarly, despite the beauty and prosperity of our State, we are forced to recognize "the other Alaska" and to meet its needs. In 1960, 9,915 families—almost one-fourth of our households—had an annual income of less than \$4,000; this is even less adequate in Alaska than it would be elsewhere in the Nation. The State has over 7,000 persons receiving welfare payments and 6,300 persons listed as unemployed. Alaska's average unemployment rate for 1963 was 8.1 percent. Even in Anchorage, the rate was 6.1 percent. The figure was 7.3 percent for Fairbanks and 8.9 percent for Ketchikan.

As I have often pointed out, poverty is, despite much progress, still particularly serious among the Eskimos, Indians, and Aleuts of Alaska. Several figures are useful as indexes. The average income of a native, rural, nonfarm Alaskan is \$2,019. In the Wade Hampton judicial district the median male income is \$898; in the Bethel district the figure is \$1,316. The unemployment rate among the natives is 27.5 percent, and the average schooling is only 5.6 years. Only 13.1 percent of rural Alaska natives live in structurally sound houses, with plumbing. The figure is but 57.7

percent for Alaska as a whole. Among Alaska natives, infant deaths account for 33 percent of all mortalities, as compared to 6 percent for the rest of the Nation. The tubercular and gastroenteric death rates among natives are six times what they are in the rest of the country. Accidental deaths are three times as frequent. These figures indicate that poverty and its problems are not foreign to Alaska. They cry out for solution.

The poverty program as it now stands will not solve our problems. It will, however, make a start toward their solution.

Now, let us turn to the President's bill. It would establish an Office of Economic Opportunity, headed by a Director, to administer and coordinate the poverty program.

Title I would set up three youth programs.

The first would be called the Job Corps, and would be administered directly by the OEO. This program would enlist young men and women who for some reason have dropped out of school and are either unemployed or are employed in dead-end jobs. It would group them in residential training and work centers, and would use their services for needed projects in both rural and urban areas. The Job Corps hopefully would give its volunteers new skills and employability, as well as provide for needed public works, conservation, and other projects.

Enrollment in the Job Corps would be open to Alaskans, and certain of the Corps projects might be located within Alaska's borders. In this connection, it is well to take note of Alaska's alarming dropout rate. Only 64.1 percent of our students who enter the ninth grade graduate from high school.

The problem is particularly serious among native youths. Last year, only 34 percent of the native youths of high school age were enrolled in secondary schools. Others were still in elementary school, but some one-third of them were not in school at all. In Bureau of Indian Affairs elementary schools, attrition rates as high as 60 percent have been found between grades 1 and 8.

On the one hand, the dropout problem causes us to redouble our efforts to improve our schools, expand their curriculums, and build up such areas as vocational and adult education. On the other hand, we must develop programs to give our dropouts the opportunity to do constructive work and to improve their employability. Such would be the aim of the Job Corps.

A second youth program would provide for work training. School dropouts or potential dropouts would be encouraged to continue their education, but would be given training jobs to supplement their schooling. The bill does not define these training jobs precisely, for it is anticipated that States and local communities would develop training opportunities in hospitals, parks, libraries, schools, and other public and private agencies. The Federal Government would assist in planning and financing these programs. Like the Job Corps, this could serve Alaskans and Alaska communities.



The Department of Labor would be responsible for administering the work-training program. Secretary Wirtz has testified that his Department is ready to go into action immediately, so as to put 150,000 young men and women to work in local projects "within 2 months of the day the Economic Opportunity Act is signed and funds are appropriated for it." Jobs furnished would be of three types: community projects, employing dropouts and giving them vocational skills; afterschool and summer jobs for youths who are in school and need money to stay in; and part-time work for students who are doing poorly in school and whose work habits and abilities would be improved by a job.

The third youth program is designed to enable colleges and universities to offer work-study opportunities for needy students. Colleges would be able to increase their present supply of part-time jobs, either on the campus or in cooperation with off-campus concerns and agencies. Federal funds would be available to colleges which carried out such programs, provided they would be used to reimburse students from low-income families. The program would be administered by the Office of Education in the Department of Health, Education, and Welfare.

Alaska's college students could certainly benefit from the work-study section of the Economic Opportunity Act. Our schools would be enabled to expand their part-time work opportunities. Under the bill's present terms, Alaska's colleges could receive a total of up to \$53,775 during the program's first year.

Title II of the poverty bill would stimulate and underwrite certain urban and rural "community action programs." Public agencies or private nonprofit organizations could undertake projects aimed at improving services and facilities in fields related to poverty, such as education, employment, job training and counseling, health, vocational rehabilitation, housing, home management, and welfare. Once the local community or the State had decided on a worthwhile and beneficial project, and one which would particularly assist low-income families, it could then apply to the Office of Economic Opportunity for funds, for specialized personnel, or for on-the-spot workers from the Volunteers in Service to America, about which I shall say more in a moment. The idea is to help States and local communities to improve their schools, hospitals, housing, recreational areas, public works, and so forth. But the States and communities would themselves have to initiate the proposed improvements. Then the Federal Government could help them develop their plans and could supply needed funds and personnel.

Last year, when Congress was considering the proposed National Service Corps bill, I frequently pointed out that many Alaska communities have been quick to assume responsibility for their own development. Certainly the Alaska State government has displayed considerable initiative. The poverty bill could give the State and these communities the resources whereby they might

carry out the improvements they want and need. For example, a city might want to clean up some of its declining neighborhoods, build a youth center, or develop its recreational facilities. A community might wish to improve its schools—by setting up remedial education programs, providing after-school study centers and tutorial programs, or building facilities for training in home economics, agriculture, or industrial arts. A village might wish to improve its health services. Health education and examination programs might be established for schoolchildren. In projects like these, the State government or Federal agencies such as the Bureau of Indian Affairs might well play an initiating or planning role. Provided the programs proposed would be of substantial benefit to low-income families, and provided adequate evidence is given of community interest and planning, Alaska communities should be able to obtain considerable help through the Office of Economic Opportunity.

The bill provides that certain of the community action funds may be disbursed at the Director's discretion and that others shall be used for research and training. It guarantees, however, that at least \$251,400 would be available for Alaska projects.

A second part of title II, added to the bill by both the House and Senate committees, would provide for "adult basic education programs." These programs would offer literacy and other basic training. They would be aimed at those 11 million Americans over 22 years of age who have less than 6 years of schooling. Adult education programs would develop the basic skills in reading, writing, and arithmetic which are needed for modern life and work. As Secretary Celebrezze has testified:

Adult basic education is a fundamental approach to the elimination of poverty, to the adjustment of manpower to changing occupational requirements, to independent learning, and to the larger satisfactions in personal growth made possible through acquisition of the basic learning tools.

Funds would be granted to the States for disbursement upon the reception of acceptable adult education project proposals. During the program's first year, some \$50,000 would be available for Alaska. The States would undoubtedly rely heavily on the initiative of local communities as they formulated their programs and their requests.

Alaska has 11,268 citizens who are over 22 years old and yet lack a sixth-grade education. Last year, both the Governor's committee on education and the development conference at Fairbanks, sponsored by the churches' socioeconomic advisory committee and the Bureau of Indian Affairs, listed adult education programs as being particularly relevant to Alaska's needs.

Title III of the poverty bill sets up "special programs to combat poverty in rural areas." Grants of amounts up to \$1,500 would be available to low-income rural families who might use the money to acquire or improve real estate, to make their farms more productive, to participate in cooperative associations, or to fi-

nance nonagricultural enterprises which would enable them to supplement their income. Long-term loans would also be available to such families, to cooperative associations serving low-income farmers, and to nonprofit corporations which have as their objective the improvement of the productivity and income of low-income farmers.

Title III has as its primary objective the aid of the small farmer. Secretary Freeman has testified that it would open up new opportunities for 500,000 to 750,000 low-income farm families who cannot now qualify for Farmers Home Administration or private loans. But the title is not limited to farm families. It applies to other rural families as well. This fact, of course, increases the section's applicability and usefulness to Alaska. It is my understanding that rural Alaskans could apply for funds with which to purchase fishing, trapping, or hunting gear, acquire electrical or mechanical equipment, or make other investments that would increase their income.

Families desiring grants or loans under this section would be required to file a short and simple application with local offices of the Farmers Home Administration. The applicant, to be eligible, should have reasonable prospects of success in the enterprise for which the loan or grant is made, and be unable to obtain the needed assistance through existing Government programs or elsewhere. The FHA, under this program, would furnish extensive training and consultation in the areas of finance and management.

A second part of title III would extend a modest amount of assistance to migrant workers—a poverty-stricken segment of our society which we have too long ignored. Grants or loans would be made available to public or private agencies which developed acceptable programs for migrants in the areas of housing, sanitation, education, or day-care of children. The appropriation provided for these purposes in the Senate bill is not particularly generous, but it represents an improvement over the House version. Migrant programs would receive a portion of the \$50 million appropriated for title III. In addition, they could receive up to \$15 million of funds appropriated under title II or other sections of the bill.

Title IV of the bill provides for loans on liberal terms for concerns defined as "small businesses" under the Small Business Act or persons seeking to establish such concerns. Loans of up to \$25,000 would be obtainable. They would be negotiated through the Small Business Administration. Loans would be granted in cases where the projected enterprises were promising and the provisions of the Small Business Act were not adequate. Special consideration would be given to firms which were likely to give jobs to the unemployed.

Perhaps even more than the Small Business Act, the present program would be geared to the special needs of very small businesses which presently operate at marginal levels. The maturity of the loans could be extended to as long as 15



years. The borrower would be considered satisfactory from the risk standpoint if he showed good character and sufficient management abilities—whether or not he possessed adequate assets to pledge as collateral. The Director would be free to depart from SBA's general "rule of thumb" that the borrower must put up approximately half of the money his project requires. Extensive management training could be provided for recipients of loans.

Alaskans have frequently taken advantage of the Small Business Act. Last year alone close to \$3 million was loaned to Alaskans under the SBA's general programs. SBA Director Eugene Foley noted last May that, to date, 400 Alaska small businesses had received some \$22 million in general SBA loans. Through SBA's services Alaska firms have received some 750 Government contracts, totaling about \$36,700,000. As of July 15, some 400 disaster loans totaling over \$40 million had been approved for Alaskans stricken by the Good Friday earthquake.

These SBA programs make the way considerably easier for those who would set up or improve small retail or service establishments, or who would make their operations more efficient and more profitable. Those involved in very small concerns who need loans under more flexible terms than SBA now allows, might well benefit from this section of the economic opportunity bill as well.

Title V of the poverty bill would expand the "work experience" and training programs now available under the Manpower Development and Training Act, the Area Redevelopment Act, the Vocational Education Act, and the 1961-62 amendments to the Social Security Act.

Alaskans have become particularly aware of the possibilities of the Manpower Development and Training Act through such current programs as a course for practical nurses in Anchorage and larger multioccupational programs in Anchorage and Nome. Recent Alaska programs have given training to waiters, fishermen, clerk-typists, electrical linemen and technicians. Some \$3.5 million has been approved during fiscal 1963 and 1964 to finance these Alaska programs and to pay training allowances to those involved.

The Economic Opportunity Act would make available increased funds whereby States and agencies could carry out programs of work experience and training. This would expand and broaden existing programs and would make available greater resources for the training of low-income or unemployed individuals. Appropriations under this title would total \$150 million for the first year, and would be under the administration of the Department of Health, Education, and Welfare.

The Economic Opportunity Act, finally, would authorize the Director to recruit and train volunteers to assist in various programs carried out under the act. These volunteers in service to America could, upon request, aid in local or State projects. This program resembles in many ways the proposed National Service Corps, which, unfortunately, has

yet to receive the approval of the Congress. Recruits would be paid little more than a subsistence allowance, and would have responsibilities and terms of service similar in some respects to those of the Peace Corps. VISTA would give Alaskans and other Americans an excellent opportunity to be of service in areas of acute human need.

Volunteers in service to America would undoubtedly assist in many of the community action programs—helping States and local communities to improve their schools, parks, housing, hospitals, health, and sanitation facilities. They might help in training those who enlist in the Jobs Corps, or in carrying out adult education programs. They could also be assigned to work with Indians on reservations, with migrant workers, in mental health centers, or in other special areas.

The Economic Opportunity Act, Mr. President, represents a many-pronged attack on our Nation's economic difficulties. There is much in the way of hard-core destitution, among those who are unable to help themselves or even to articulate their need for help, that this bill would not reach. There is much in the way of unemployment, educational deprivation, and inadequate housing that it would not remedy. The bill is only a start. But in its provisions are several paths which States, communities, small businesses, and individuals might pursue in search of economic betterment. It has been my purpose today to summarize the bill's major provisions and to discuss the ways in which Alaskans might find them helpful.

Now I should like to ask the Senator from Michigan a question pertaining to the bill.

Am I correct in my assumption that title III grants to "rural families" would not necessarily be limited to farm families? Grants of up to \$1,500, the bill states, would be available to rural families, to "acquire or improve real estate or reduce encumbrances or erect improvements thereon" or to "finance nonagricultural enterprises which will enable such families to supplement their income." Long-term loans of up to \$2,500 would also be available for this latter purpose. Am I correct in assuming that a rural Alaskan could apply under this title for grants or loans to purchase fishing, hunting, or trapping gear, electrical or mechanical equipment, and so forth?

Mr. McNAMARA. Such an application for a loan would be permissible under the bill. The Senator is quite correct.

Mr. BARTLETT. I appreciate the Senator's reply in this respect.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. What is the pending question?

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from New York [Mr. JAVITS] No. 1126.

Mr. JAVITS. Mr. President, I yield myself 5 minutes. The problem which I pose before the Senate and upon which,

I may say, I have been doing my utmost to bring about some reconciliation of views—for it seems to be a problem which is well recognized, whether or not the administration agrees with me as to how it shall be settled relates to the extent to which the States shall take over the administration of the war on poverty program.

Mr. President, the fundamental theory of my amendment is that the States, if they are willing and able to do so, should operate the program, but that the States should not be permitted by inaction in this case—considering the nature of this program—to thwart the people of the United States in carrying out such a program in any area of any State which does not choose to take it over.

I have endeavored in the amendment to carry out this idea.

I point out that the concept of State administration is deeply embedded in our law. Yesterday I mentioned some of the programs which have a similarity to the proposed program, which are administered by the States.

Overnight I obtained some figures as to what was involved in these programs. The aggregate of the programs of this character administered by the Department of Health, Education, and Welfare alone, involved an expenditure, in fiscal year 1963, of \$2,792 million, in round figures.

In short, far more was involved in those programs, which are directly State administered, than is involved in the proposed programs.

It is also necessary to particularize. In doing so, we find a remarkable State of affairs as we go through the bill. Time after time State plans are referred to. In one aspect of this bill, that of adult basic education, State plans, and State allocations are required. In the other parts of the bill, in the community action part and in the migratory labor program, emphasis is placed upon State plans.

When we look for that section which will apply to the administration of the State plans—and it is recognized in the proposed legislation itself that the entire administration will have to proceed by States—we find only a very weak provision, contained in section 209(a), which reads:

The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

As we go through this bill in each of its parts we find frequent references to State plans; yet, when we try to find out who will administer the proposed plans, we find a very pallid provision, section 209(a), to which I have referred.

My amendment would make section 209(a) operate as it should. I propose to delete section 209(a) and substitute for it a revised provision for enabling the States—and I emphasize the word "enabling"—to carry out the provisions of this bill.

The PRESIDING OFFICER (Mr. DODD in the chair). The time of the Senator has expired.

Mr. JAVITS. I yield myself 5 additional minutes.



It will be noted that my amendment refers to parts B and C of title I, part A of title II, and part B of title III.

With respect to part A of title I, the Job Corps, it will be recalled that yesterday an amendment was adopted, on motion of the Senator from Florida [Mr. SMATHERS], which, for all practical purposes, introduces the States into the Job Corps. It requires 30 days' notice to the Governor of the State, and provides that a camp may not be established without the consent of the State.

I believe that to be a proper amendment. For all practical purposes, that is what I had in mind doing.

I point out also, that my own efforts to get as much as possible of this done before the bill came to the floor of the Senate, resulted in my agreement with Mr. Shriver upon a section which provides that State camps must be utilized in States where such camps exist. The Director has considerable freedom to contract with respect to such camps.

I therefore do not feel as strongly now as I did when I offered the amendment about making my amendment applicable to that part which relates to the Job Corps.

As to the work training program, which is provided for by part B, there, I think, for all practical purposes, it is rather difficult for the Director of the program to enter into a State to carry out the work of the training program without the full cooperation of the State. The employment of juveniles, for example, would require the cooperation of the States. Therefore, as a practical matter, it is extremely doubtful that any such program could be carried on except under State authority or with State concurrence. I do not believe my amendment is absolutely essential to that part of the bill.

I feel the same way about part C, the work-study programs. This part relates to the relationship between the Federal Government and institutions of higher education. That is a pretty well established relationship. It is working now with respect to various programs carried on by the Federal Government with such institutions of higher education.

In addition, the State has strict control over institutions of higher education under State law. Hence, there again, with the exception that I think it would be better if we did provide directly for State plans, I would not regard it as a *sine qua non* to include my amendment with respect to that part of the bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LAUSCHE. I have listened to the discussion, and I find that the concern is with obtaining approval of State officials. My question is, Does the Senator give any consideration to the need of obtaining approval of local officials on matters in which the Federal Government enters the domain of the States? I have in mind the testimony of the president of the U.S. conference of mayors before the House committee, in which he stated:

Any Federal legislation that is to involve local citizen action in a war on poverty must

clearly place the responsibility for program development and execution with responsible local government \* \* \* if the Federal Government's entry into this foray is to be most effective, its assistance must be channeled to local communities in a manner consistent with local government responsibility and obligation \* \* \* to launch a program of new aids to local private groups without governmental coordination at the local level would be a step backward.

In principle, I think this statement is in accord with what the Senator from New York is saying. My question is: Does the Senator's proposal in any way deal with the requirement that when the Federal Government goes into a local community, it must have the local government's approval of the work proposed to be done by the Federal Government?

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from New York has 33 minutes remaining.

Mr. JAVITS. I yield myself another 5 minutes.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I shall be glad to yield when I have answered the question of the Senator from Ohio.

In my judgment, my amendment goes directly to the question raised by the Senator from Ohio and deals with it satisfactorily, in that if any State that shows itself eligible to do so, is enabled to take over the administration; at the same time, every local agency of government, which is a subdivision of the State government, would be enabled to be in the same position.

If the matter is left as it is proposed in the bill, the director is given a very wide ranging, freewheeling authority. He may or he may not. He is instructed to try. But he would not be pinpointed in the manner I have proposed.

I am hoping that we may reach some agreement about the amendment I am explaining. The amendment has been refined, and I hope it may prove acceptable to the committee. The real difficulty is this: I do not believe the administration really wants to buck the idea that a State shall take the program over when it shows itself eligible to do so. That point will take a little while to develop, but I think we are at that point now.

What we have been concerned about is that in the original amendment—and Senators have it on their desks—I called for the "best effort" of the director to develop State plans. In other words, I wanted to be able to try to bring about State administration. This was objected to strongly. For myself, I would be willing to accept—and we have language that we shall submit in a little while—the concept that a State shall get busy about taking care of the program itself; but that as soon as it shows itself able and willing, the administrator shall be required to turn over the administration to the State.

If that is done, in my judgment, we shall take care of the whole situation at

all levels of government. The reason we cannot call for the consent of individual levels of government is that any real effectiveness will take place at the State level. The State has the right to deal also with nonprofit agencies and with private agencies.

So we cannot get into the whole network of inhibiting movement in a county. We would get action in a county by projecting the program on the State level.

We would find, in keeping the Director out of a State, if the State sat on its hands, that there would be a fair middle ground between mandatory State control or inaction.

Mr. LAUSCHE. As I recall, the President of the Conference of Mayors testified with respect to title II, and his remarks were directed to the making of agreements with private organizations, thus possibly setting aside local governments.

I thank the Senator for his explanation.

Mr. JAVITS. I thank the Senator from Ohio for his questions.

Mr. SALTONSTALL. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. SALTONSTALL. The colloquy between the Senator from Ohio and the Senator from New York partly answers my questions. I should like to ask this question:

Assume that the Governor of a State takes no interest and does nothing about setting up any plans. Could the national Director go in and set up a plan in a State, even if the Governor took no action or was negative?

Mr. JAVITS. If the Governor took no action, the Director could go into the State. If the Governor were negative, I think it is probable that it would, for practical purposes, be very difficult for the Director to act, although there would be no legal inhibition. The Director is required to notify the Governor.

We have an amendment under which the Director could not set up a job camp without the consent of the State. But there is nothing to prevent him from going in, under the law or under my amendment, where a State is active. But if a State were negative, although my amendment does not cover the question, I think that for all practical purposes it would be extremely difficult to get action. There are many ways in which the Director could be frustrated if a State really did not want the program to be effective.

Mr. SALTONSTALL. As I understand, the Senator from Vermont [Mr. PROUTY] goes a little further in his proposed amendment than does the Senator from New York. The Senator from Vermont provides that the Governor must consent.

Mr. JAVITS. The Senator from Massachusetts is correct.

Mr. SALTONSTALL. As a former Governor, I feel strongly on that point. I encountered the same difficulty during the war, when the Federal Government came in and disrupted what the State was trying to do.

Under public assistance and vocational education programs, Title III of



the National Defense Education Act, the Hill-Burton Act, the Mental Health and Mental Retardation Act, and under the Federal Highway Act, the Governor of a State has to assent or to work out through State agencies a State plan before Federal money can be issued to a State.

The PRESIDING OFFICER. The time of the Senator from New York has again expired.

Mr. JAVITS. I yield myself an additional 5 minutes.

Although I have not studied each of those acts in detail, I know enough about them to say that they require State administration; if there is no State administration, there can be no such programs in the State.

Mr. SALTONSTALL. Personally, I would perhaps feel quite differently about the bill if the Governors of the States were required to be consulted. I agree with the Senator's statement in response to the Senator from Ohio that the Federal Government should not go directly into the counties, cities, communities, or towns, because that would be going too far. But it seems to me that action should be taken through the Governor of a State and, with his consent, through the various departments of the State; or, if he will allow it, through the localities. But the Director should not be permitted to go into a State, even if the Governor remains passive or strictly negative.

Mr. JAVITS. Normally, I would feel the same way; but I do not feel so strictly about the antipoverty program. Here we have a national responsibility with respect to poverty, and we should not allow it to be frustrated within a State by reason of the fact that the State would oppose the entire program. But if the State is actively opposed, the Director would probably find it impossible to operate there. I do not believe passivity—and I think that is the real question—ought to prevent the operation of the antipoverty program, which appeals so deeply to the humanitarian instincts of the American people.

We are concerned with the policy of the war on poverty which, as I think we all know, is not adding anything more than the morale of a single concerted effort—that is my own judgment of what it means—and it should not be frustrated by the passivity of a State; a State should really be required either to be positive about it and take it over, which under my amendment it would be perfectly free to do, or to oppose it actively, in which case its people could be alerted and could react. I do not believe the active objection of a State would make it impossible for the Director to operate or that passivity alone could keep the program out of a particularly bad situation in a State.

I am grateful to the Senator from Massachusetts for helping me to elucidate this point clearly.

My amendment takes that middle ground. It would reward willingness to take it over. One cannot do anything about a negative position, because it would be a practical impossibility to operate if a State were against us, but it would not reward passivity, either. It

would require a State to choose one definite position or the other, or else be subject to having the Director move into the State and operate within the State, even though the State is not actually in approval.

Mr. SALTONSTALL. The Director, under those circumstances of "passivity," to use the Senator's expression, would issue all Federal assistance through Federal channels rather than through the State. This would seem to me to be rather difficult to accomplish and might lead to strong differences of opinion between State officials as to who was qualified to carry out the act.

I mention that because that is what I encountered as Governor of Massachusetts during World War II. The Federal authorities would say that the Federal official was capable of doing a specific job, whereas the State man was not, even though the State official had a higher rating than the Federal official.

Mr. JAVITS. The difference which my amendment would make is that the State could take over the program if it wished, whereas the program to which the Senator refers might very well have depended upon the volition of the Federal Administrator as to whether he would allow the State to take it over.

Under my amendment, one does go that far, because the State may take it over if it shows that it is willing and able to do the job. It seems to me that in an antipoverty program, with the heart appeal which it involves, that is about the right middle ground. That is why I framed the amendment as I did.

Mr. SALTONSTALL. I thank the Senator. I believe that I prefer the Prouty amendment to the Senator's amendment, but I believe that the Senator's amendment is a step in the right direction. So far as New York and Massachusetts are concerned, I cannot believe that the Governor of either State would be either passive or particularly negative.

Mr. JAVITS. There is no question about that.

The PRESIDING OFFICER (Mr. WALTERS in the chair). The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 additional minute.

Mr. JAVITS. In my judgment, in institutions of that character we are dealing with a situation which for all practical purposes would be covered by my amendment. As the Senator knows, having been Governor, and as I know, having been an Attorney General, we could not operate any Federal program in a State if the State were really against us. There are many things which a State could do, including placing inhibitions on the prospective recipients, as to make operation impossible.

Mr. SALTONSTALL. Take the Hill-Burton Act as an example. A State must approve a State plan before the Federal Government can issue any funds. The same is true of highway and certain school construction. Those plans have worked out well because the burden is

placed on the State to decide where to construct the hospital, how much money is needed, and so forth. The same applies to highway construction and planning.

Mr. JAVITS. The Senator has put his finger on a very apt point. It is a question of degree. I could not say to the Senator that a hospital does not have a humanitarian function. Of course it does. It has a very special humanitarian function. When we think of all the abject poverty, the slums, and so forth, I cannot feel in my heart that I wish absolutely to exclude it from a State in which the State government may prove to be passive. That was the reason that I wrote the amendment as I did.

Mr. PEARSON. Mr. President, will the Senator from New York yield on my own time?

Mr. JAVITS. I am glad to yield to the Senator from Kansas.

Mr. PEARSON. Perhaps I should address this question to the distinguished Senator from Michigan, but I understood the Senator from New York [Mr. JAVITS] to say that he had some conversations with the prospective director of the program.

I have an amendment pending which would provide for the creation of State economic opportunity agencies and the formulation of State plans by those agencies, which plans would be submitted to the director.

Is it the feeling of the prospective director that he would oppose this degree of State control because of the fear that the State would remain inactive; or, is it rather that the administration feels that it can do a more effective job by going directly to the public agency or to a private nonprofit agency?

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 additional minutes.

Mr. JAVITS. I believe that the administration's feeling is very heavily premised upon both those propositions.

The prospective director—Mr. Shriver, who testified before the committee—believes that he mounts a more effective war on poverty if he has centralized command; namely, to be a "commander in chief." Therefore, for this kind of program, he believes that all the reins should be kept in his own hands.

Second, I believe, as a corollary, that he believes he can do it as economically and as efficiently as any State can do it.

Those are the two aspects of his thinking.

I disagree with both theories. I believe when one is commander in chief, he has great autonomy and great authority, and that one cannot operate this program on a battalion level, which is what I believe Mr. Shriver has in mind to do for all practical purposes. The program is in a pretty sorry state if it is operated on that basis.

I therefore have pressed the amendment strongly in the committee and since, and made every effort to refine it in such a way as to reach agreement, because I believe that it is most essential.



Also, I believe that any State would willingly accept the criterion that it will operate as economically and efficiently as Federal administration.

It seems to me that, all things considered, in this kind of program there would be greater local responsibility without in any way derogating from the thrust, the power, of the Federal administration. That is why I press my amendment.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side in this debate.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, I am glad to yield 20 minutes to the Senator from Connecticut, on the bill.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 20 minutes.

Mr. DODD. Mr. President, the United States of America is the most prosperous country in the world and is today enjoying the greatest abundance in its history. Eighty percent of our people have achieved not only the necessities of life but also an ever-increasing share of the luxuries of life.

All of the economic indicators are up, up, up. Jobs, wages, and profits are at an alltime high.

We rejoice in this as a national achievement unparalleled in human history. But it is not enough. It is not enough, because part of the American family has been left out of this picture.

#### THE EXTENT OF POVERTY IN AMERICA

One-fifth of our Nation, 9 million families, 35 million Americans, linger on in the shadows of poverty, deprivation, ignorance, and closed horizons. Some say that it is their own fault. Some say that these people are poor because they are lazy and shiftless. Some say that nothing can be done, nor should be done by the Government to help them.

We in the Democratic Party know that this is not so.

We know that of the 9 million impoverished families, 3 million are supported by persons over the age of 65, and 2 million are headed by widows or other women who are forced to "go it alone" in providing for their families.

We know that of the 35 million poor Americans, 11 million are children—one-sixth of all our youth—whose only fault was being born into poverty; and 7 million are Negroes, who in many basic ways have been deprived of a fair chance at full participation in our national life.

We know where poverty is. It is in crowded slums and racial ghettos; in migrant labor camps, on played-out mining strips, on small marginal farms, on Indian reservations, in areas crippled by automation, by competition from foreign imports, and by the removal of

basic industries to other parts of the country.

We know that we can draw a composite picture of the poor families of this country, a picture of men without an eighth grade education trying to compete in the space age, a picture of those too old to find a productive place, of those too ill to work effectively and too poor to pay for medical care, of those who, in the words of Michael Harrington, "Made the mistake of being born to the wrong parents, in the wrong section of the country, in the wrong industry, or in the wrong racial or ethnic group."

We are dealing with a vicious cycle in which the poverty, hopelessness, and lack of opportunity of the parents are visited upon the children and upon the grandchildren.

And we know that our free American society, which has achieved so much, has the wealth, the resources, and the know-how to eliminate poverty in our time—if we have the will to do so.

We who support this bill have the will.

We believe that the causes of poverty can be isolated and remedied.

We believe that the cycle of poverty can be broken; and we propose to break it. Said President Johnson:

We wage this war because it is right, because it is wise, because for the first time in our history, it is possible to conquer poverty. We have the power to strike away the barriers to full participation in our society. Having the power, we have the duty.

#### THE EXTENT OF POVERTY IN CONNECTICUT

In my State of Connecticut, the situation is less grave than in the country as a whole, but it is bad enough to try the soul and tax the mind of every man who represents Connecticut in elected office.

Ten percent of our families are poverty-stricken, though surrounded by abundance.

Two hundred and seventy-three thousand of our adults have not completed elementary school. They can be reached by expanded programs of adult education.

Fifty-five thousand Connecticut children living in a high cost of living area, are in families with a total income of less than \$3,000 per year. They can and must be rescued and given a fair chance.

Sixty-four thousand Connecticut youths, aged 16 to 24, have left school without completing high school. They can still be salvaged and through the provisions of this bill, encouraged to complete their education, to learn skills and to find a useful place in life.

Mr. President, I would like to have printed at this point in the RECORD, a table showing the percentage of the number of families in each major Connecticut city having a total income of less than \$3,000 per year, starting with the industrial city of New Haven at a high of 16 percent and going down to the residential suburb of Wethersfield where 4 percent of the families are living in grinding poverty.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

|                    | Percent |
|--------------------|---------|
| New Haven.....     | 16      |
| Hartford.....      | 15      |
| Bridgeport.....    | 15      |
| New London.....    | 15      |
| Norwich.....       | 14      |
| Ansonia.....       | 13      |
| Danbury.....       | 13      |
| Willimantic.....   | 13      |
| Waterbury.....     | 10      |
| Middletown.....    | 10      |
| New Britain.....   | 10      |
| Groton.....        | 10      |
| Torrington.....    | 10      |
| Bristol.....       | 9       |
| Derby.....         | 9       |
| Meriden.....       | 9       |
| Norwalk.....       | 9       |
| Stamford.....      | 9       |
| West Haven.....    | 8       |
| Shelton.....       | 8       |
| East Haven.....    | 7       |
| Manchester.....    | 7       |
| Stratford.....     | 7       |
| Wallingford.....   | 7       |
| East Hartford..... | 6       |
| Enfield.....       | 6       |
| Fairfield.....     | 6       |
| Greenwich.....     | 6       |
| Hamden.....        | 6       |
| Millford.....      | 6       |
| Naugatuck.....     | 5       |
| West Hartford..... | 5       |
| Wethersfield.....  | 4       |

#### THE BLUEPRINT OF THE WAR ON POVERTY

Mr. DODD. Mr. President, as the causes of poverty in this country in 1964 are many, so must the assault on poverty be many sided.

First, we want to give young Americans a second chance to learn the skills and self-confidence they foreclosed upon themselves when they dropped out of school and became unemployable. Therefore, the President has proposed:

A job corps of young men from 16 to 21 to do vitally needed work on conservation projects; and to learn technical skills at centers set up for that purpose across the Nation;

A work training program to put idle young people at socially useful work in public and private agencies such as hospitals, libraries, settlement houses, where their services are urgently needed and where their outlook on life will be greatly improved;

And a work-study program to enable youngsters who quit school for financial reasons to earn a limited amount of money so that they can go back to school and begin once again to tread the path toward a fair share in our prosperity.

Some time ago I wrote to the director of the park and forest commission in Connecticut, Donald C. Mathews, to inquire as to whether or not any youth camps could be used effectively in Connecticut. He wrote back immediately, not only to express his support for the program, but to propose a specific location for a Youth Corps project which would accomplish vitally needed work in Connecticut forests, increase recreational opportunities and even prevent a large industry from leaving the area by providing needed timber.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of Mr. Mathews' letter for the benefit of those who think these projects are boondoggles.



There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF CONNECTICUT,  
PARK AND FOREST COMMISSION,  
Hartford, Conn., April 26, 1963.

Senator THOMAS DODD,  
Senate Chambers,  
Washington, D.C.

DEAR SENATOR DODD: I was pleased to hear from Commissioner Gill that you intend to speak in behalf of the establishment of youth camps throughout the country.

Personally, I am delighted that you are so keenly interested in this program which could do much for the youth of Connecticut as well as provide much needed labor in our forest areas.

Perhaps the area of Connecticut that would benefit most from a youth camp would be eastern Connecticut. The Pachaug State Forest and associated State parks in Voluntown and adjacent towns present the wonderful opportunity for useful and gainful employment for this type of labor. There are approximately 24,000 acres of public lands covered with forests that are just beginning to reach an age where cultural work such as weedings, thinnings, and prunings will show rapid results in increased timber values. The Connecticut State Forest Nursery is also located in this area and would offer work experience in a field of endeavor where employment opportunities are expanding. The potential for recreational development in this particular forest area is extensive. However, labor is required to make the most desirable spots usable for intensive recreation.

A building site for a youth camp already exists and there is a deep well on the property that should be usable and adequate.

Furthermore, this area of Connecticut is becoming interested in a wide variety of wood-based industries. One large industry now questioning the advisability of remaining in the area might well be influenced to stay if timber could be supplied in rather modest quantities as a substitute for raw material now being used. A market for products produced by thinnings in the forest is indicated without any undue competition with private enterprise.

We anticipate that we can accommodate 500 boys in this program if money is made available.

I heartily support your endorsement of an attempt to establish a youth camp in Connecticut. We are ready and able to proceed; the only requisite is the Federal appropriation.

With best wishes.

Sincerely yours,

DONALD C. MATHEWS,  
Director.

Mr. DODD. Mr. President, the second important section of the bill which will be particularly helpful in Connecticut is that dealing with adult education. At the present time in Connecticut only 5,000 of the 273,000 adults who have not completed elementary school are enrolled in our State program for adult education. This bill will enable us to expand this program almost fourfold, in its initial stage alone.

Mr. Allen E. Hugg, adult education consultant to the Connecticut State Department of Education, has written to all superintendents of schools and directors of adult education to urge their support of this bill. After outlining the potential for Connecticut, he said:

I am sure that you will agree that this bill, if it passes, can and should have a most important influence on public education in Connecticut.

The third major battlefield in this war on poverty will be our community action program to strike poverty at its roots, to get at the causes, not just the consequences, this calls for local plans of action prepared by local communities, plans which mobilize community and Federal resources in a combined attack on the peculiar circumstances causing poverty in that particular area. It may include job training, housing assistance, public facilities, or special instruction programs for children with educational deficiencies or language difficulties. Whatever the need of the community, this program will try to reach it.

Next, the bill creates a corps of "volunteers in service to America," a sort of domestic Peace Corps, in which thousands of young people with ability and idealism can join in the day-to-day battle to fight poverty by assisting in carrying out the community action programs.

Our rural areas, so often forgotten, are remembered in this bill, through a program of loans and guarantees which will help marginal farmers to procure the extra bit of land, or machinery, or training, they need to make their farms a growing concern.

And the bill includes a special program of loans and guarantees for the benefit of small business concerns, which, because of limited resources, have been unable to meet present credit requirements for Government loans.

The war on poverty will be directed by one of the ablest public servants and administrators ever to serve the American people, Sargent Shriver, who will head the Office of Economic Opportunity, and coordinate the many programs operating in this field.

#### THE OPPOSITION TO THIS BILL

The opponents of this bill call the President's program a hodgepodge. It is rather a coordinated effort to overcome a complex problem.

The critics say that it is a costly boondoggle. But I believe that the expenditure of less than 1 percent of our Federal budget in a cause of this kind will make a tenfold return to our economy and a hundredfold return in terms of social justice. You cannot go wrong by helping men obtain a chance to work.

They say that it is too big, but yet that it is too small; that it is too complicated, yet too simple; too uncoordinated, yet too centralized; too old, yet too new. This is the same old shopworn refrain that is sounded every time some positive program is brought before the Congress.

They say that these are the same discredited programs that we used during the depression. I know something about those programs.

It was my privilege to be the director of the National Youth Administration in Connecticut in those days. I have often said that I consider it my most rewarding period of public service.

There are many sections in this bill that are based on the old national youth program and the Civilian Conservation Corps. I am glad of it because they were among the finest measures ever enacted in this country.

Everywhere I go in Connecticut today,

I am approached by men and women whose lives were salvaged by these programs 30 years ago when they were youths; who, instead of being discarded on the scrap heaps, were given an education and taught skills; and who, because of this, have led fruitful and productive lives for themselves, for their families, and for their country. No apologies need be made for the inclusion of such programs in this bill because they have worked well before and will work well again.

This program is but one facet of our many-sided effort to fight poverty and need. Alongside of it, we must press our effort to help underdeveloped areas, to remove urban slums, to improve the lot of migrant farm laborers, to implement the food stamp plan for the hungry, to extend the minimum wage, to expand unemployment benefits, to provide Federal aid for elementary and secondary education, to step up our Manpower Training Act and our Youth Opportunities Act and to institute a program of medical care for the aged under social security.

#### THE TASK AHEAD

Almost three decades ago, Franklin D. Roosevelt took up the cause in which we are now laboring. Who can forget the memorable words of his second inaugural address:

I see one-third of a Nation ill housed, ill clad, ill nourished. It is not in despair that I paint you that picture. I paint it for you in hope—because the Nation, seeing and understanding the injustice of it, proposes to paint it out.

Since those days, the problem of poverty in America has been reduced by almost one-half. It is our task and our privilege to finish the job.

And we of the Democratic Party, sobered by the magnitude of this cause, but inspired and strengthened by its justice, its sanity, its practicality, its humanity, propose today to complete the great work of painting out poverty from the American scene.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I may make the point of no quorum and not have the time necessary for the quorum call charged to either side on the amendment or to either side on the bill.

The PRESIDING OFFICER (Mr. PEARSON in the chair). Is there objection to the request of the Senator from Illinois? The Chair hears none; the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

Mr. RUSSELL. Mr. President, reserving the right to object, I should like to ask whether there is any reason why there cannot be a complete quorum call.

Mr. President, I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

The Chair hears none, and it is so ordered.

The Chair recognizes the Senator from Illinois.



### TRIBUTES TO SENATOR GOLDWATER

Mr. DIRKSEN. Mr. President, on July 10 this body adjourned so that members of the minority party could journey to the Golden West for the purpose of attending a national assembly invested with the necessary authority to select a candidate on the Republican ticket for the Presidency of the United States.

It was, indeed, a spirited convention, where everyone could speak his piece. The convention was held in the true democratic tradition. I think I express the delight of many when I say that a distinguished Member of this body was honored by that nomination, and I am delighted to see that he is in the Chamber of the Senate today.

I shall not make a long, impassioned speech today. I wish only to extend the hand of welcome and fellowship. We are delighted to have the Senator from Arizona back, for a time, in the bosom of this great body. Welcome back, great public servant, great citizen, who has been honored by those selected as delegates from all of the 50 States of the Union and clothed with the highest honor any party can endow upon one of its members. I salute him in tribute. [Applause, Senators rising.]

Mr. CURTIS. Mr. President, will the minority leader yield?

Mr. DIRKSEN. I yield.

Mr. CURTIS. Mr. President, the Senate of the United States has been indeed honored by the temporary return of our very distinguished colleague, Senator BARRY GOLDWATER. It is anticipated that in the coming campaign he will attract some vigorous opposition. He is that type of man. But it is also true that he will attract very deep loyalty and support because he is a man who stands for something.

I believe that in the last 100 years no sitting Senator who has been nominated by either major political party for President has failed of election. I predict that that will continue to be true. [Applause.]

Mr. MANSFIELD. Mr. President, will the minority leader yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. Mr. President, I should like to join in welcoming back to the Senate our distinguished colleague from Arizona [Mr. GOLDWATER], just home from the political wars of the San Francisco convention. To his title of Senator he has accrued the additional honor of being designated Republican candidate for the Presidency in the 1964 elections. It is a distinction to which many men and women aspire but which only one can achieve. It came to Senator GOLDWATER through his persevering, old-fashioned hard work, his great political acumen, the wide popular appeal of his name and person among the rank and file of his party, and his deep dedication to his beliefs of what is right for the Nation as God gives him the capacity to see the right.

All of us, in the Senate, tend to lead double lives in a political sense. We are

Members of this body regardless of party. Hence, it is a source of great pleasure and satisfaction when one of its Members is singled out for the consideration of the people as a candidate for the highest public trust which can be bestowed on any American.

But we are also members of our respective political parties. As such, each of us generally believes that his own party's designee for the office of President is best equipped to discharge that trust.

In that spirit, Mr. President, I would say, as a Senator to the Senator from Arizona, it is with admiration and respect, with the highest esteem and the warmest congratulations that this side of the aisle joins your Republican colleagues in welcoming you back as the Republican candidate for the Presidency. As Democratic Senators—repeat, Democratic Senators—however, I must assure you that we would have been personally happier had you chosen to remain a Senate colleague and so insured to yourself a seat in the audience at the next presidential inauguration of Mr. Johnson. [Laughter and applause.]

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished chairman of the minority policy committee.

Mr. HICKENLOOPER. Mr. President, I join all Senators who have given a heartfelt, sincere, and enthusiastic welcome back to the fold, at least temporarily, to our great friend, BARRY GOLDWATER.

Senator GOLDWATER, in my view, is a product and exponent of those basic principles that have made America great, the principles which have established a system that we hope will be protected, which gives to every American citizen the greatest possible opportunity to advance and progress upon his own ability, his determination, and the vigor with which he exercises his personal responsibility under our great free system. In those principles I am sure most of us join him.

Without prolonging my remarks, because I could not emphasize my sincerity more by continuing to discuss it, I wish to make a confession to my colleagues on both sides of the aisle for whatever censure or criticism may be coming in my way—that I am, and will continue to be, an extremist, because I shall be extreme in my support of Senator GOLDWATER and what he stands for, and I shall be extreme in exercising my right of freedom, which I believe is a part of the heritage of the American people. If I am to be censured for being an extremist, I shall accept the censure, I hope, in good spirit and with all good fellowship.

I congratulate Senator GOLDWATER. We are only sorry that he will not be with us for another few years as a Member of this body. As I said in San Francisco the other day, in some probably rather ill chosen remarks, "I shall take advantage of this opportunity to call you BARRY at this time, because without doubt, in the very near future, I will have

to address you more formally, in accordance with protocol." [Applause.]

Mr. TOWER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio editorial in which a Mesa, Ariz., station bespeaks its pride and satisfaction with the nomination of the junior Senator from that State as a candidate for the Presidency.

There being no objection, the radio editorial was ordered to be printed in the RECORD, as follows:

#### KALF RADIO EDITORIAL, JULY 16, 1964

The State of Arizona should be bursting its borders with pride today. Pride that one of its sons should have been placed in nomination for the highest administrative office in these great United States. Regardless of whether you are of his political convictions we hope you will join with us in sending congratulations to Presidential Candidate BARRY M. GOLDWATER. We hope that you feel as we do, a sort of pride of ownership if you will. Consider the youth of our State of Arizona and then consider the relatively few States which have provided a presidential candidate. More often than not the major political parties go after a candidate from a State that has a large concentration of population, figuring this gives them a headstart in their quest for election time votes. Obviously not true in the case of Senator GOLDWATER. Consider too that much of the organizational work behind GOLDWATER's campaign to get the nomination was done by Arizonans. The fact that they overcame the tremendous opposition of organizations from powerful and populous Eastern States is truly a feather in Arizona's cap. Again, whether or not your political sentiments are with Senator GOLDWATER, we hope you find yourself just a little bit inflated today with the success of one who emerged from among us to approach the Presidency of the United States.

#### WELCOME HOME BARRY

Mr. SIMPSON. Mr. President, I should like to extend a most hearty western welcome to the Senator from Arizona who 6 months from now we will be addressing not as my distinguished colleague but as Mr. President.

Senator GOLDWATER won the presidential nomination by the tried, tested, and proven method of hard work, dedication, enthusiasm, and by championing the causes to which grass roots America and all of us are aligned.

I think that no greater tribute to the Republican presidential candidate can be found than in three separate but related quotes coming on the eve of his nomination at San Francisco. Said a trio of normally liberal or "moderate" journalists:

GOLDWATER will give the American people the clearest and sharpest alternative, something near to a 180 degree alternative to the Democratic Party.

He has persuaded his party to give itself to the conservatives by his patient and prodigious campaigning across the country since 1960.

GOLDWATER men are tired of having the Republican presidential ticket picked by the Democratic press.

Independently, each of those quotes tells a story. Together, they weave a tapestry depicting not only Senator GOLDWATER's success but also the philosophy of the party that fully intends to wrest the reins of power from the



Democrat machine entrenched at 1600 Pennsylvania Avenue.

BARRY GOLDWATER's nomination came in the face of seemingly insuperable odds against what could truly be described as a rapacious press. Some of the Nation's leading newspapers transmuted their constitutional freedom of the press into some sort of abstract "freedom to crucify." Even editors who sought to favor the Arizona Senator forgot that the layout man in the back room or the headline writer might be a Democrat and might not hesitate to put his own twist to an ostensibly objective editorial.

As we welcome BARRY GOLDWATER back to the U.S. Senate for these few short weeks before adjournment, I think it vital to point out that the Senator and his presidential running mate will march to victory in November on one of the finest platforms ever offered the American people. The full scope of the platform, from ethics and economics, to foreign and domestic affairs, offers a progressive and completely feasible alternative to the policies of what GOP Key-noter Mark Hatfield called the "party of fear and frustration."

In appearances on BARRY GOLDWATER's behalf in New Jersey, Washington State, Idaho, South Carolina, Georgia, Texas, Maryland, Virginia, Utah, and Wyoming, I have found and felt the great spontaneous sincerity and enthusiasm for the man, his philosophies, his forthrightness and his obvious total commitment to the perpetuation of American principles. Senator GOLDWATER, more than any other man in our history, has a solid base of dedicated grass roots support in every State, the length and breadth of this great Nation; from the smallest hamlet to the greatest industrial metropolis.

It has been my privilege for the past 18 months to sit in the Senate Chamber directly behind BARRY GOLDWATER. After participating in his campaign for the nomination, and viewing his temperance and restraint in the face of vicious provocations, and after hearing his stirring and eloquent acceptance speech, I am proud to say that I am behind him now more than ever.

As one newspaper phrased it shortly before the Arizona Senator's nomination, the convention "patently gave BARRY its allegiance, lock, stock—and heart."

And so will the Nation in November. [Applause.]

RECESS

Mr. DIRKSEN. Mr. President, if I may have the concurrence of the majority leader, I shall respectfully suggest a 10-minute recess, in order that Senators may extend the hand of fellowship to our distinguished colleague.

Mr. MANSFIELD. I join the distinguished minority leader in making such a request.

The PRESIDING OFFICER. Without objection, the Senate will stand in recess for 10 minutes.

At 12 o'clock and 39 minutes p.m., the Senate took a recess.

The Senate convened at 12 o'clock and 49 minutes p.m., and was called to order by the Presiding Officer (Mr. PEARSON in the chair).

Mr. TOWER. Mr. President, I ask unanimous consent that the time consumed in the tributes to Senator GOLDWATER be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I yield such time as the Senator from Arizona desires to use.

Mr. GOLDWATER. Mr. President, I would be remiss to the feelings that I have in my heart if I did not make response to the welcome back that has been extended to me by Senators today.

I am now forced to work much harder than I would have felt compelled to work, by virtue of the fact that recently I withdrew my name in my State for re-nomination to the Senate.

I was quite critical of another gentleman for running for two offices at one time, and I did not want to be placed in that same boat.

Now I shall have to work doubly hard, because I am too old to go back to work and too young to get out of politics. I will not even be able to enjoy the salary increase that was given to Members of Congress the other day.

I assure my friends on the other side of the aisle that when we are in the White House we shall be just as charitable to them as they are toward us at this time.

Regardless of how I leave this body, it will be with great reluctance. I cannot imagine any greater group of men getting together in any other place in the world. I am constantly amazed by how our differences can be buried and how we can hammer out legislation, even though at times it seems that we are at each other's throats.

I treasure my friendships on the other side of the aisle as I do those in my own party.

I remind myself constantly that we are here, first, because we are Americans; because we want to do what, in our hearts and minds, is best for our Republic. If we continue to be guided by that spirit, I have no fear about the future of the Republic.

Again, my heartfelt thanks to every Senator present, who, by being present, expressed a welcome to me on my return. I appreciate it, and I shall remember it always. [Applause, Senators rising.]

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 184) for the commemoration of the Honorable Herbert Hoover's 90th birthday, August 10, 1964.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 944. An act to provide for the presentation by the United States to the people of Mexico of a monument commemorating the

independence of Mexico, and for other purposes;

H.R. 8313. An act to repeal the District of Columbia Credit Unions Act, to convert credit unions incorporated under the provisions of the act to Federal credit unions, and for other purposes;

H.R. 9833. An act granting a renewal of patent No. D-162,975, relating to a medal of the American Legion; and

H.R. 9834. An act granting a renewal of patent No. D-161,955, relating to a plaque of the American Legion.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. JAVITS] to the committee amendment.

Mr. TOWER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that the time consumed for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I further ask unanimous consent that the Senator from Vermont [Mr. PROUTY] be allowed to offer his amendment before the time of the Senator from New York has expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, I call up my amendment No. 1129, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 72, line 3, strike out "for such comments as he may deem appropriate" and insert in lieu thereof the following: "and no such assistance shall be furnished with respect to a program or project in any such State without the prior approval of the Governor thereof or his designee".

Mr. PROUTY. Mr. President, my amendment in the nature of a substitute would amend title II, the community action title of the bill.

Before I explain the amendment, I assure Senators that I shall be brief. I shall ask for a yea-and-nay vote on the amendment in the nature of a substitute. Senators may be alerted that I shall take not more than a few minutes to explain the amendment.

The amendment is simple. It requires the approval of the Governor—or the appropriate State agency—for a project to be carried out within a State.

The language is similar to that which operates through the area redevelopment program. There projects must be



endorsed through the State agency before they are sent through ARA regions to Washington for action.

It is procedure similar to that used in the Hill-Burton hospital construction program, where the programs proceed through the State agencies to the Federal department concerned.

It is also similar to the accelerated public works program which requires State action where a program such as Hill-Burton activities are concerned.

I can see no reason why the effective, efficient means for Federal-State cooperation should not be employed in the operations of this bill as they are in the programs above described.

The record of hearings both in the House and in the State is devoid of any reason or justification for bypassing the States. Theirs is an interest equal to, if not far greater than, that of the Federal Government in the poor. It is through them that Federal funds are now channeled under the Manpower Development and Training Act.

The point is that, however rudimentary such programs may be, the States already are involved with programs designed to assist the poor. There has been absolutely no reason offered by the administration witnesses to alter this procedure.

The administration has simply taken as a fait accompli that the States should have no role in the war on poverty. Surely, lipservice has been paid to the States. The bill lets the Director ask for "comment" by the Governors of the various States.

The truth of the matter is that this war on poverty is intended to be administered solely from the White House. It is not intended that the Governors or the State agencies shall participate in the program. It is not intended that the program should be designed to run smoothly. It would appear to be intended only that credit for whatever good might result from it should be directed solely to the White House.

On the other hand, with the procedure under the pending bill to bypass the States, the direct relation between the Federal Government and the local communities is a considerable step toward total paralysis of the role of the State governments in our society.

There is, it seems to me, every good reason to retain our practice of State-Federal cooperation in these matters.

The community action program really duplicates scores of existing Federal programs, costing tens of billions of dollars, programs which are already operating in every State of the Union. A detailed summary of many of them may be found in the House report. Such Federal-State programs include welfare, health, housing, education, manpower training and rehabilitation, maternal and child care, assistance for poor farm families, aid for the elderly, assistance for Indians, and many other activities. These programs are administered almost entirely through the States, by State and local public agencies.

It seems to me that if we expect to maintain State sovereignty, we should certainly grant to officials of the States

the right to approve or disapprove programs advocated by the Director under the present purposes of the act.

Mr. TOWER. Mr. President, I commend the Senator from Vermont for offering a most constructive amendment. One of the major criticisms of the bill, one of the most valid criticisms, is the lack of local and State control. This criticism is particularly relevant to title II, the community action title, in which the bill as it is presently drawn authorizes the Director of the Office of Economic Opportunity to pay up to 90 percent of the total cost of financing antipoverty programs at the local level. It is my opinion that the Governor of a State should be allowed to exercise some control over projects of that kind. After all, municipalities are corporate creatures of a State, and there is an inherent danger in the bill that the new bureaucracy which would be created would go over the head of the State government into local communities.

So I urge the adoption of the amendment offered by the Senator from Vermont.

Mr. PROUTY. Mr. President, I am grateful to the distinguished Senator from Texas.

Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty-four minutes.

Mr. PROUTY. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 minute.

Mr. PROUTY. I should like to read into the RECORD section 209(a) of the bill, which appears on page 71:

The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this part to the Governor of each State affected, or his designee—

And this is the important part—for such comments as he may deem appropriate.

The Governor has the right only to comment. No other action is permitted under the bill. The amendment offered by the distinguished Senator from New York does little more than is already in the bill at the present time, because that does not permit veto powers or approval to be given by State officials.

Yesterday, the Senate accepted an amendment offered by the distinguished Senator from Florida [Mr. SMATHERS] which gave Governors the veto power insofar as the establishment of youth conservation camps is concerned.

It seems to me that it is equally important that Governors be given that same power under part A of title II of the bill.

Mr. President, I reserve the remainder of my time.

Mr. DIRKSEN. Does the Senator wish the yeas and nays?

Mr. PROUTY. Yes. Mr. President, I ask for the yeas and nays, on my amendment.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. How much time remains in opposition to the Prouty amendment?

The PRESIDING OFFICER. Twenty-nine minutes remain.

Mr. CLARK. Mr. President, in the absence of the Senator in charge of the bill I yield myself not to exceed 10 minutes—

Mr. JAVITS. Mr. President, before the Senator proceeds, will he allow me to yield myself 1 minute to make a parliamentary inquiry. I make an amendment pending, too.

Mr. CLARK. With so few Senators in the Chamber, I am glad to yield to the Senator from New York, on his own time.

Mr. JAVITS. I have my own time.

Mr. CLARK. I am very glad to yield. Mr. JAVITS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 minute.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. I make this parliamentary inquiry because I believe that the parliamentary situation is somewhat confused.

I have an amendment pending. By unanimous consent, the Senator from Vermont [Mr. PROUTY] now has an amendment pending upon which the yeas and nays have been ordered.

As I understand, the vote on my amendment will come first, because the amendment of the Senator from Vermont, though designated an amendment to my amendment is, in fact, not an amendment to my amendment but an independent amendment to the bill.

Is that correct?

The PRESIDING OFFICER. The Chair is advised that it will be proper to consider the so-called Prouty amendment as a separate amendment, to be acted upon separately, and that time remains for the Senator from New York upon his amendment.

Mr. JAVITS. So the Prouty amendment is neither a substitute for nor an amendment to my amendment?

Mr. PROUTY. Mr. President—

The PRESIDING OFFICER. The Chair is advised that the so-called Prouty amendment does not relate to the amendment of the Senator from New York in any respect and therefore is considered a separate amendment.

Mr. JAVITS. I thank the Chair.

Mr. CLARK. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. Mr. President, which amendment will be voted on first under the ruling of the Chair, the Prouty amendment or the Javits amendment?

The PRESIDING OFFICER. The Prouty amendment will be voted upon first.



Mr. CLARK. I now yield myself not in excess of 10 minutes in opposition to the Prouty amendment.

Mr. PROUTY. Mr. President, will the Senator from Pennsylvania yield to me for a unanimous-consent request?

Mr. CLARK. I am glad to yield to the Senator from Vermont provided that it does not come out of the time in opposition to the Prouty amendment.

The PRESIDING OFFICER. The Senator from Vermont will state his unanimous-consent request.

Mr. PROUTY. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Vermont is withdrawn.

Mr. CLARK. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. Is the Javits amendment now the pending amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. CLARK. Mr. President, how much time remains in opposition to the Javits amendment?

The PRESIDING OFFICER. The Chair surmises that approximately 29 minutes remain.

Mr. CLARK. Mr. President, I yield myself not in excess of 10 minutes in opposition to the Javits amendment, and with the Chair's permission, in the absence of the Senator in charge of the bill, I will move into his seat.

Mr. President, the problem of the relationship between States and communities to the provisions of the Economic Opportunity Act of 1964 is not an easy one to resolve satisfactorily. We must face the fact that the provisions of the bill will be treated differently by State governments in different localities. We encounter the fact that due to the malapportionment of State legislatures, there will be a number of States which, unfortunately, will not be much interested in taking advantage of the provisions of the bill.

Nevertheless, there will be within those States a number of local communities which will be very much interested in taking advantage of the Federal aid provided in the bill.

The situation is not unlike that which we have faced in connection with urban renewal for a great many years. Under the leadership of that great Republican, Senator Robert A. Taft, arrangements were made whereby urban communities, prepared to advance up to a third of the cost of an urban renewal project, could obtain Federal assistance for two-thirds of the project without the necessity of obtaining the consent of either the Governor or the State legislature.

If this had not been the case the urban renewal program would be far behind the condition in which it finds itself today. There would be many States whose urban communities would be desperately anxious to receive aid to rehabilitate and rebuild their residential housing and, to some extent, their commercial and industrial areas also, in order to provide proper improvements to revitalize the city and to provide adequate shelter

through tearing down slums and building safe and sanitary housing for a very substantial number of the American people.

The analogy of urban renewal could well be used, as it has been used, in connection with the provisions of S. 2642.

We come to the next question of States rights, and the very high degree of desirability that, in working out this program with Federal funds, the cooperation of the States should be earnestly solicited.

Wherever possible, the activity in terms of an antipoverty program should be conducted at the lowest level of government which is willing to undertake it with Federal assistance. That would mean the local community in the first instance. But, since the local community is, in law, the agent or child of the State, it is highly desirable that every possible effort should be made to enlist State cooperation for the various programs which are incorporated in the bill which is well named the Economic Opportunity Act of 1964, or, in more colloquial terms, the antipoverty program.

I suggest that the provisions now in the bill go about as far as we should go in terms of obtaining State cooperation. I suggest that to go as far as the Senator from Vermont [Mr. PROUTY] suggests, and, perhaps as far as the Senator from New York [Mr. JAVITS] suggests, would really deprive many a community of the opportunity, which it would be seeking, to take advantage of the provisions of the act.

I call particular attention to section 209(a) which appears on page 71 of the bill under the subtitle "Participation of State Agencies," in line 22. It reads as follows:

The Director shall establish procedures which will facilitate effective participation of the States in the community action programs. Such procedures shall include provision for the referral of applications for assistance under this part to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

I believe that sets forth a desirable procedure under which State participation should not only be solicited, but also required to be given before any Federal assistance should go into the State. I think it is highly appropriate that the comment should come from the Governor of the State, who unquestionably is in a position to advise a Federal agency of the view of the State government with respect to any project which is to go within the borders of the State. Accordingly, I would hope very much that the straitjacket into which the Prouty amendment would place the administrator of the program, by prohibiting any Federal action within the State unless the Governor approves, would not be adopted.

The best analogy is that of urban renewal. We would never have had an urban renewal program if we had had to have the approval of the State government before the Federal Government could come in to assist a city in destroying its slums and building safe and sanitary housing.

I am sure the Javits amendment does not go as far as the Prouty amendment.

I do not say that it would not be possible to live with the Javits amendment. But I would very much hope to see the provisions that are now in the bill remain as they are. Therefore, turning to the Senator in charge of the bill, I ask if he would be willing to state his present position with respect to the Javits amendment.

I yield back the remainder of the time.

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Michigan is recognized.

Mr. McNAMARA. Mr. President, the amendment of the Senator from New York, I regret to say, is unnecessary and undesirable. It could impose a rigid straitjacket on major parts of the poverty program. It could frustrate any action at all in most States.

The door for State plans and administration of work training and community action under the Economic Opportunity Act is wide open. Any State which has a State plan ready to propose can do so. Any State which wants to obtain a grant to develop a State plan can do so. But most States do not have State plans ready to implement. Some may not want them.

To institute pressure for State plans could mean that many good local projects, ready to be carried out, would be delayed months or years until an overall State plan was developed.

Many States believe that the most effective way to carry out a program that is as comprehensive as the attack on poverty must be is to rely on grassroots local planning with general coordination at the State level.

Requiring State plans would, in effect, overrule the decisions of State and local authorities on the best way to carry out the program.

Let me make one point clear. There is nothing in this act which prohibits or inhibits State planning in any way.

This act is based on the conviction that State and local authorities are the best judges of the most effective way to organize to combat poverty.

This act should, therefore, provide the flexibility to support whatever kind of local programs can be gotten underway most quickly with promise of the most effective results.

With respect to the community action program, section 209 already provides that the Director shall establish procedures which will facilitate effective participation of the States in community action programs.

These procedures will include referral of applications for assistance to the Governor of each State affected for such comments as he may deem appropriate.

Needless to say, such comments will always be seriously considered by the director and his staff.

The amendment of the Senator from New York suggests in paragraph B that the director should be able to make grants to and contracts with States.

I would point out with respect to community action programs that this amendment is completely unnecessary and in fact undesirable.

Section 209 of the bill already authorizes grants to or contracts with appropriate State agencies to pay the expenses



of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

A community as defined under the bill may be as large as a State. It may encompass an entire State. It may, in fact, encompass a number of States.

On the other hand under the bill as it is presently written, local municipal governments, county, village, or town, may in the absence of a statewide program undertake their own community action programs.

In many areas of the country there would be no sense to establishing a bureaucratic overlay in the State capital which would serve only to encumber individual community action programs.

Finally I would point out that the director of this program is in no position to develop State plans.

The entire emphasis of this bill, particularly in part A of title II, is on having the local community most familiar with its own problems develop its own programs.

In terms of precedent it is a little late in the day to insist that, as this amendment implies, the State government should be involved in every program of Federal assistance either to local communities or to individuals.

Therefore I must oppose the amendment offered by the Senator from New York, as I did in the committee.

This proposal was considered in the committee and debated to some degree. It was rejected by the committee.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, I sent a modification of my amendment to the desk, and ask that it be stated.

The PRESIDING OFFICER. The modified amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on pages 71-72 to delete section 209, and insert the following:

SEC. 209. (a) In carrying out the provisions of part A of title II, and part B of title III, the Director shall establish procedures which shall facilitate effective participation of the States in programs assisted under such parts. In pursuance thereof he shall receive and is authorized to approve State plans to carry out the provisions of such parts and shall utilize State agencies and facilities in the administration of such parts, either at the initiation of programs under such parts or in the course thereof, whenever and wherever such participation will accomplish as economically and efficiently as Federal administration the purposes of such parts. Procedures established by the Director shall include provision for the referral of applications for assistance under such parts to the Governor of each State affected, or his designee, for such comments as he may deem appropriate in cases not otherwise provided for in this subsection.

(b) The Director is authorized to make grants to or to contract with States and appropriate State agencies for the payment of the expenses of such agencies in performing their functions under subsection (a) hereof, and for the purpose of providing technical assistance to State and local government agencies in developing, submitting, and administering State plans and programs under the parts of this Act listed in subsection (a).

Mr. JAVITS. Mr. President, by way of explanation, I have revised my amendment slightly by excluding from its provisions parts B and C of title I, which relate to work-study programs and work-training programs. I explained my reasons for that earlier in the day. The amendment is now confined to the community action programs and the migratory labor programs. The form in which the amendment is now offered would allow the Senator from Vermont [Mr. PROUTY], as I understand from the Parliamentarian, to offer a substitute, which it is his desire and, I believe, very much his right to do, so that it can be voted on first.

That action will pose very clearly for the Senate the question whether the Senate wishes to have an absolute prohibition upon the operation of the program in any State unless that State consents and works out a State plan, which is the substitute of the Senator from Vermont [Mr. PROUTY], or whether it wishes to take the middle ground of my amendment, which would provide that in cases in which a State wishes to take over the program, is willing to take it over, and is able to take it over, the Administrator is obliged to turn it over to the State. But where the State is passive, the Administrator could move into that State and inaugurate programs within the State.

The provision of my amendment would not be as rigorous a requirement as would the amendment of the Senator from Vermont, yet it would go some of the distance.

I believe that the Senate should have a clear choice, and that is the reason I sought to accommodate the substitute which is proposed by the Senator from Vermont.

If agreeable to the Senator, I now ask unanimous consent, as was done before, that the Senator from Vermont may proceed to offer his substitute for my amendment without my losing the time which I have still remaining for the discussion of my amendment.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Vermont will offer a preferential amendment which is not a substitute; and under the rules that amendment will take precedence over the amendment of the Senator from New York.

Mr. JAVITS. That is fine.

Mr. McNAMARA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNAMARA. What is the time situation now? Is there additional time on the Javits revision plus whatever time will be allocated under the substitute? Will the time on both amendments run separately or concurrently?

The PRESIDING OFFICER. The Senator from New York has proposed a modification to his amendment. That action would not permit additional time.

Mr. JAVITS. Mr. President, has the unanimous consent request been acted upon?

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

The Chair hears none and it is so ordered.

Mr. PROUTY. Mr. President, I call up my amendment No. 1129, which is identical with the amendment that I offered earlier as a substitute to the Javits amendment.

The PRESIDING OFFICER. The amendment of the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. On page 72, line 3, it is proposed to strike out "for such comments as he may deem appropriate" and insert in lieu thereof the following: "and no such assistance shall be furnished with respect to a program or project in any such State without the prior approval of the Governor thereof or his designee".

Mr. PROUTY. Mr. President, I yield myself 2 minutes. This amendment is the same as the substitute that I offered earlier. It merely provides that the Governor or appropriate State officials must approve any projects provided for in part A of title II of the bill, which is the Community action section. I have explained it in some detail. I think there is no need to take more time.

I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, will the Senator yield so that I may ask for the yeas and nays on my amendment?

Mr. PROUTY. I yield.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. There are 21 minutes remaining on the amendment.

Mr. PROUTY. Mr. President, I reserve the remainder of my time.

Mr. McNAMARA. Mr. President, I yield myself such time as I may require in connection with the proposed Prouty preferential substitute, or whatever the proper term for the amendment is.

Mr. President, the remarks I just made in relation to the Javits amendment apply totally to the Prouty amendment. The objections would be the same.

From the viewpoint of the chairman of the committee, I believe the Prouty amendment is more objectionable than the Javits amendment. The substitute would go much further. So regrettably it is the position of the chairman of the subcommittee in charge of the bill that the amendment should be rejected.

Mr. President, do I correctly understand that the Senator from Vermont is ready to yield back the remainder of his time?

Mr. PROUTY. That is perfectly agreeable to me, if the Senator has nothing further to offer.

Mr. SALTONSTALL. Mr. President, is the Senator from Vermont about to yield back the remainder of his time?

Mr. PROUTY. I have not done so yet. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I thank the Senator. I should like to make one observation. It is my understanding that the amendment now offered as a substitute for the amendment of the Senator from New York would specifically require the Governor of a State to consent be-



fore any of the projects enumerated in the bill could be undertaken in that State. Am I correct?

Mr. PROUTY. The Senator is absolutely correct.

Mr. SALTONSTALL. Whereas the amendment of the Senator from New York [Mr. JAVITS] provides that the Governor may either dissent or remain quiet. But the amendment of the Senator from Vermont would require affirmative action on the part of the Governor.

Mr. PROUTY. The Senator is correct.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. TOWER. I believe the amendments of the Senator from Vermont and the Senator from New York are compatible. They can both be adopted.

Mr. PROUTY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McNAMARA. Mr. President, before the Senator yields back his time, I wonder if we can obtain unanimous consent for a quorum call without the time necessary for the call being charged to either side. I shall then be prepared to yield back the remainder of my time at the conclusion of the quorum call.

The PRESIDING OFFICER. There is time available for the call of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state it.

Mr. PROUTY. Do I correctly understand that the pending question is on my amendment to the committee amendment, which would require State action before any programs under title II could be started?

The PRESIDING OFFICER. That is the pending question. All time has expired. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WALTERS (after having voted in the affirmative). I have a live pair with the Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], and the Senator from Nevada [Mr. CANNON], are absent on official business.

I also announce that the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Indiana [Mr. BAYH], are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON], and the Senator from Texas [Mr. YARBOROUGH], are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Nevada [Mr. CANNON], the Senator from Cali-

fornia [Mr. ENGLE], the Senator from Texas [Mr. YARBOROUGH], and the Senator from New Mexico [Mr. ANDERSON], would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

Mr. HUMPHREY. Mr. President, how am I recorded?

Mr. PROUTY. Mr. President, I ask for the regular order.

The PRESIDING OFFICER (Mr. INOUE in the chair). The regular order is called for.

The result was announced—yeas 45, nays 44, as follows:

[No. 473 Leg.]

YEAS—45

|           |               |                |
|-----------|---------------|----------------|
| Aiken     | Fong          | Mundt          |
| Allott    | Hickenlooper  | Pearson        |
| Beall     | Hill          | Prouty         |
| Bennett   | Holland       | Robertson      |
| Boggs     | Hruska        | Russell        |
| Byrd, Va. | Jordan, Idaho | Saltonstall    |
| Carlson   | Keating       | Simpson        |
| Case      | Kuchel        | Smith          |
| Cooper    | Lausche       | Sparkman       |
| Cotton    | Long, Mo.     | Stennis        |
| Curtis    | Long, La.     | Talmadge       |
| Dirksen   | McClellan     | Thurmond       |
| Eastland  | Mechem        | Tower          |
| Ellender  | Miller        | Williams, Del. |
| Ervin     | Morton        | Young, N. Dak. |

NAYS—44

|              |              |                |
|--------------|--------------|----------------|
| Bartlett     | Humphrey     | Morse          |
| Bible        | Inouye       | Moss           |
| Brewster     | Jackson      | Muskie         |
| Burdick      | Javits       | Nelson         |
| Byrd, W. Va. | Johnston     | Neuberger      |
| Church       | Jordan, N.C. | Pastore        |
| Clark        | Magnuson     | Pell           |
| Dodd         | Mansfield    | Proxmire       |
| Douglas      | McCarthy     | Randolph       |
| Edmondson    | McGee        | Ribicoff       |
| Fulbright    | McGovern     | Smathers       |
| Gore         | McIntyre     | Symington      |
| Gruening     | McNamara     | Williams, N.J. |
| Hart         | Metcalf      | Young, Ohio    |
| Hartke       | Monroney     |                |

NOT VOTING—11

|          |           |            |
|----------|-----------|------------|
| Anderson | Engle     | Scott      |
| Bayh     | Goldwater | Walters    |
| Cannon   | Hayden    | Yarborough |
| Dominick | Kennedy   |            |

So Mr. PROUTY's amendment to the committee amendment was agreed to.

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. PROUTY. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the motion of the Senator from New York to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALTERS (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from Massachusetts [Mr. KENNEDY].

If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Michigan [Mr. HART] is absent on official business.

I also announce that the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Indiana [Mr. BAYH] are absent because of illness.

I further announce that the Senator from Texas [Mr. YARBOROUGH] and the Senator from New Mexico [Mr. ANDERSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Texas [Mr. YARBOROUGH], and the Senator from New Mexico [Mr. ANDERSON] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 45, nays 45, as follows:

[No. 474 Leg.]

YEAS—45

|           |               |                |
|-----------|---------------|----------------|
| Aiken     | Fong          | Mundt          |
| Allott    | Hickenlooper  | Pearson        |
| Beall     | Hill          | Prouty         |
| Bennett   | Holland       | Robertson      |
| Boggs     | Hruska        | Russell        |
| Byrd, Va. | Jordan, N.C.  | Saltonstall    |
| Carlson   | Jordan, Idaho | Simpson        |
| Case      | Keating       | Smith          |
| Cooper    | Kuchel        | Sparkman       |
| Cotton    | Lausche       | Stennis        |
| Curtis    | Long, La.     | Talmadge       |
| Dirksen   | McClellan     | Thurmond       |
| Eastland  | Mechem        | Tower          |
| Ellender  | Miller        | Williams, Del. |
| Ervin     | Morton        | Young, N. Dak. |

NAYS—45

|              |           |                |
|--------------|-----------|----------------|
| Bartlett     | Hayden    | Monroney       |
| Bible        | Humphrey  | Morse          |
| Brewster     | Inouye    | Moss           |
| Burdick      | Jackson   | Muskie         |
| Byrd, W. Va. | Javits    | Nelson         |
| Cannon       | Johnston  | Neuberger      |
| Church       | Long, Mo. | Pastore        |
| Clark        | Magnuson  | Pell           |
| Dodd         | Mansfield | Proxmire       |
| Douglas      | McCarthy  | Randolph       |
| Edmondson    | McGee     | Ribicoff       |
| Fulbright    | McGovern  | Smathers       |
| Gore         | McIntyre  | Symington      |
| Gruening     | McNamara  | Williams, N.J. |
| Hartke       | Metcalf   | Young, Ohio    |

NOT VOTING—10

|          |           |            |
|----------|-----------|------------|
| Anderson | Goldwater | Walters    |
| Bayh     | Hart      | Yarborough |
| Dominick | Kennedy   |            |
| Engle    | Scott     |            |

So the motion to lay on the table was rejected.

Mr. KUCHEL. Mr. President, on the last vote, was the question to lay on the table the motion to reconsider?

The PRESIDING OFFICER. That is correct.

Mr. KUCHEL. Is the question now on the motion to reconsider?

The PRESIDING OFFICER. That is correct.



Mr. KUCHEL. And Senators who voted for the original motion of the Senator from Vermont [Mr. PROUTY], should vote no on the motion to reconsider. Is that correct, Mr. President?

Mr. SMATHERS. If the Senator wishes to be consistent.

Mr. PROUTY. Mr. President, I ask for a recapitulation.

The PRESIDING OFFICER. A recapitulation has been requested, and will be made.

The legislative clerk recapitulated the vote on the motion to table the motion to reconsider.

The PRESIDING OFFICER. The question now is on the motion to reconsider.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to reconsider. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALTERS (when his name was called). On this vote I have a pair with the junior Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from California [Mr. ENGLE] are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr. YARBOROUGH], the Senator from California [Mr. ENGLE], the Senator from Indiana [Mr. BAYH], and the Senator from New Mexico [Mr. ANDERSON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

Mr. TOWER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. The motion to reconsider was made by the Senator from New York, who, I believe, was not on the prevailing side.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that it is too late to raise that point of order.

The yeas and nays resulted—yeas 46, nays 45, as follows:

[No. 475 Leg.]

YEAS—46.

Bartlett  
Bible  
Brewster  
Burdick  
Byrd, W. Va.  
Cannon  
Church  
Clark  
Dodd  
Douglas  
Edmondson  
Fulbright  
Gore  
Gruening  
Hart  
Hartke

Hayden  
Humphrey  
Inouye  
Jackson  
Javits  
Johnston  
Long, Mo.  
Magnuson  
Mansfield  
McCarthy  
McGee  
McGovern  
McIntyre  
McNamara  
Metcalf  
Monroney

Morse  
Moss  
Muskie  
Nelson  
Neuberger  
Pastore  
Pell  
Proxmire  
Randolph  
Ribicoff  
Smathers  
Symington  
Williams, N.J.  
Young, Ohio

NAYS—45

Aiken  
Allott  
Beall  
Bennett  
Boggs  
Byrd, Va.  
Carlson  
Case  
Cooper  
Cotton  
Curtis  
Dirksen  
Eastland  
Ellender  
Ervin

Fong  
Hickenlooper  
Hill  
Holland  
Hruska  
Jordan, N.C.  
Jordan, Idaho  
Keating  
Kuchel  
Lausche  
Long, La.  
McClellan  
Mecham  
Miller  
Morton

Mundt  
Pearson  
Prouty  
Robertson  
Russell  
Saltonstall  
Simpson  
Smith  
Sparkman  
Stennis  
Talmadge  
Thurmond  
Tower  
Williams, Del.  
Young, N. Dak.

NOT VOTING—9

Anderson  
Bayh  
Dominick

Engle  
Goldwater  
Kennedy

Scott  
Walters  
Yarborough

The PRESIDING OFFICER. On this vote the yeas are 46 and the nays are 46. The motion to reconsider is not agreed to.

Mr. HUMPHREY. Mr. President, I ask for a recapitulation.

The PRESIDING OFFICER. The clerk will recapitulate.

The Chair is informed that on this vote the yeas are 46 and the nays 45. The motion to reconsider is agreed to—

Mr. MUNDT. Mr. President, may we have the recapitulation which was ordered, so we may hear how Senators are listed as voting?

The PRESIDING OFFICER. The clerk will recapitulate.

The legislative clerk recapitulated the vote.

The PRESIDING OFFICER. On this vote the yeas are 46, the nays 45. The motion to reconsider is agreed to.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. What is the question now before the Senate?

The PRESIDING OFFICER. The question now is on agreeing to the Prouty amendment.

Mr. HOLLAND. Mr. President, may I be heard for about 5 minutes before the vote is taken on this amendment?

The PRESIDING OFFICER. The Chair informs the Senators that there is no time left on the amendment, but there is on the bill.

Mr. TOWER. I yield 5 minutes to the Senator from Florida on the bill.

Mr. HOLLAND. Mr. President, I want Senators to be very certain they know what they are doing when they refuse to adopt the amendment. We are talking about that section of the bill which

is headed "Community Action Programs," which begins on page 65 of the bill.

Mr. DIRKSEN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from Florida will suspend. The Senate will be in order. The Senator from Florida will proceed.

Mr. HOLLAND. Mr. President, I thank the President for insisting on order.

Mr. DIRKSEN. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. The Senator from Illinois is correct. The Senator from Florida will suspend. The Senate will be in order.

The Senator from Florida will proceed.

Mr. HOLLAND. Mr. President, this amendment deals with the part of the pending bill which is under the heading "Community Action Programs," section 202. It is quite lengthy, and I shall not discuss it in full, but invite the attention of Senators to the fact that on page 66 of the printed bill, at the very top of the page, it is made very clear that in addition to the criteria named in this bill for the shaping of any community program, the following is added:

(b) The Director—

That is, the Federal administrator— is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

The Federal Director is so authorized.

The part of the section to which this amendment is proposed would give the Governor of a State some authority to turn down a proposed program which he felt was not in accord with the best interests of his State. Instead of having the innocuous words "for such comments as he may deem appropriate," after the portion of the bill which says the proposal must be referred to the Governor, this amendment proposes that no such program may proceed unless the Governor gives his approval.

Mr. President, the issue is very simple. Senators who want to do away with State control, State responsibility, and responsibility of the Governor representing his State for what goes on in the various communities under this far-reaching measure, should, of course, vote against this amendment.

Senators who believe that the Governor of a State does not have such essential interest in this matter and the ability to know something about the laws and institutions of his State, and should not have the right to say that these new criteria should be placed in a particular program, not named in the bill, making the program unsuitable to his State and therefore causing him to say, "No; we do not believe that this program should proceed in this State"; and Senators who believe that the State capital should be bypassed and that the Governor should have no voice in deciding what the additional criteria should be, about which the Senate and the House know nothing,



but which we would give the Director of the program the complete right to put in the law, should vote against the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. The Senator from Florida and I were Governors of our respective States during the war, when the Federal Government came into our States with a number of programs. The Federal Government not only told us how to operate them, but who should conduct them, and in that way dispensed with our civil service systems and substituted the Federal Government's own people and criteria. The same thing seems to apply here. If we bypass the Governor entirely, we cannot tell who will carry out the program or how it will be carried out.

Mr. HOLLAND. The former Governor of Massachusetts is completely correct. The executive committee of the Governor's Conference, of which the former Governor of Massachusetts and the former Governor of Florida were members, had a meeting on this specific subject. At that meeting we protested vigorously against various efforts that were underway to override any State jurisdiction and to say to the States what should be done in various fields and in various communities. We went to the then President, and we finally were able to have some changes made.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TOWER. I yield 3 additional minutes to the Senator from Florida.

Mr. HOLLAND. I invite attention to the fact that if we pass this far-reaching bill, with an open road given to the Director, so that he need not refer the program to Congress, or refer it to the President, or refer it to anyone else, with the power to prescribe what shall go into the various programs, but may bypass the State capital; and if we take away from the Governor every power except what the bill provides, at page 72, "for such comments as he may deem appropriate—"

Mr. LAUSCHE. Mr. President, will the Senator yield to me at that point?

Mr. HOLLAND. I am glad to yield, if I have the time.

Mr. LAUSCHE. I believe that the phrase, "for such comments as he may deem appropriate," demeans the dignity of the Governors. It is, in fact, an insult to the Governors to say to them, "You can make such comments as you desire, but whatever they are, we will go forward in accordance with our whims and fancies."

Mr. HOLLAND. It is provided, in effect, that the Governor shall not be the Governor with respect to this kind of project, but that the decision of the Federal Director shall overpass that of the Governor in any particular matter in which the Director puts in additional criteria which are not set forth in the law.

Mr. McCLELLAN. The Governor has the constitutional right to make comments without our providing for it in the law.

Mr. HOLLAND. The Senator is correct. This situation involves a matter of courtesy. This is a downgrading of the Governor, because, instead of giving him any responsibility for the approval of the program for a community in his State—a program in which the Director has added things not now before us, and not now in our minds—we would downgrade the Governor's office and State authority, and take away States' rights, making the Federal Government supreme, and making the Director supreme. I cannot feel that the Senate should adopt such a course as that.

I plead for the adoption of the pending amendment.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I shall be brief. This is an important point. This vote may very well decide the question. I served on the special subcommittee, and I serve on the main committee which handled the bill. I am the one member of my party on this side of the aisle who voted against the Prouty amendment. I owe to my party and to the Senate an explanation. The explanation is this: My particular reason poses the issue for the Senate very clearly, I believe.

There is, on the one side, the Prouty amendment, which is entirely consonant with many Federal welfare programs with respect to which, if a State does not initiate a program, it does not come into being.

On the other hand, there is the feeling of those who testified for the administration bill, in this war on poverty—and that is the one thing that distinguishes it from a mass of other welfare legislation—that there should be centralized direction by a commander in chief, as there would be in a war.

That is an impressive argument.

Like the Senator from Florida and the Senator from Vermont, I am loath to see the authority of the States in welfare matters broken down. Therefore I have proposed and have worked for—and the next vote will come on it—an amendment which seeks to bring about a compromise between these two polarized positions. The compromise is as follows:

When a State is willing and able to take over the administration, the director of the programs is compelled to turn over the administration to that State.

If a State is not willing and able to take over a program, he may, if he can feasibly do so—of course if a Governor opposes him, he cannot feasibly do it—go in and see what he can do himself.

All that my amendment does is to provide that where there is active opposition, the Director cannot operate. Where there is agreement, the State has the right to take over the administration. Where the State is passive and does not move one way or the other, the Director, if he can, can come in and work with local units of government and with nonprofit agencies.

This compromise is not necessarily based on precedent and not necessarily completely right, but it responds to the fact that this is a humanitarian program. We believe this to be a fair way

in which to handle this particular program. It is no precedent for any other. That is why I have worked so hard in proposing what I have proposed.

I have the greatest respect and regard for the opinions of Senators. Normally I would be with them, if this were not a war-on-poverty program, in which I believe it is high time for our country to take some centralized morale control, even though the individual measures may not amount to a great deal.

I felt I owed that explanation to the members of my party and to the Senate. I have been steeped in the program for a long time, and therefore I can give a clear account of it.

Mr. McNAMARA. Mr. President, I yield 5 minutes to the Senator from Florida.

Mr. SMATHERS. Mr. President, I share the concern expressed by the Senator from New York and other Senators with respect to the position and authority of State Governors. It was for that reason that I offered, last night, an amendment which was adopted by the Senate. The amendment, which applies to title I, in effect provided that CCC camps or other camps of any other kind could not be established in a State, under title I, unless the Governor had first been notified and given 30 days in which to veto the particular proposal. At the end of 30 days, if he had not vetoed it, the program could proceed.

Some of us, including the distinguished senior Senator from Minnesota [Mr. HUMPHREY] and the distinguished senior Senator from Georgia [Mr. RUSSELL], have been attempting to reach a so-called middle ground, as has been suggested by the able Senator from New York, which would apply the same principle not only to title I, but also to title II. The Prouty amendment would apply a restriction to the action of the Federal Government by having the Governor approve the program only as to title II.

In a few moments, I propose to offer a substitute for the Javits amendment to cover not only title II, but also title I. It is a refinement of the amendment originally prepared by the able senior Senator from Georgia. No one is more interested in the preservation of States' rights than is the Senator from Georgia.

So after the Senate has voted on the Prouty amendment, there will be an opportunity to go further with respect to protecting States rights in areas other than those now provided for in the Prouty amendment.

Rather than give absolute power to a Governor to act in these matters, as the Prouty amendment does, we merely reverse the situation and provide that if the Governor, having been advised of these programs, does not act within 30 days, the Federal Government may go forward. But we require that the Director notify the Governor of each State with respect to the contracts that he may make with private nonprofit organizations and other agencies, such as social welfare organizations, which may be involved in this particular type of program.



I voted against the Prouty amendment because I believe that the amendment I shall offer in a moment is better than the Prouty amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. HOLLAND. Do I correctly understand that the proposed amendment in the nature of a substitute would give the Governor clear power to veto any project designated for his State if he acted in timely fashion?

Mr. SMATHERS. If he acts within 30 days; and as to all the projects that are covered in title I and title II, whereas the Prouty amendment is directed only to title II. The Senator is correct.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. LAUSCHE. In the event the Prouty amendment were adopted, would the Smathers amendment be in order, according to parliamentary procedure?

The PRESIDING OFFICER. The Smathers amendment would be in order.

Mr. LAUSCHE. That is, the Senate could adopt the Prouty amendment, and the Senator from Florida could still offer his amendment and have it adopted?

The PRESIDING OFFICER. The Senator is correct.

Mr. SMATHERS. There would hardly be any need to do that, because that would be duplicating that which in some respects applies to title II. Of course, the Smathers amendment goes further and provides the Governor with a veto power; the Prouty amendment does not.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. HUMPHREY. We spent much time on the substitute proposal now being suggested by the junior Senator from Florida. The procedure prescribed in the Smathers amendment, which is a refinement of the amendment adopted last evening, of which the Senator spoke, is the procedure used in the Reorganization Act proposals that come before Congress.

In other words, the Director would present his plans to the Governor of a State. If the Governor did not, within 30 days, find those plans objectionable, he would have the opportunity to review the administrative procedures, the contracts, and all other details of the plans distasteful, or unwise, they would go into effect. If he found them to be distasteful, unwise, or unnecessary, he could express a veto, and the plans would not go into effect.

It seems to me that this is a sensible proposal. I hope the Senate will not complicate its work by adopting the Prouty amendment, which goes to title II and requires specific approval, with no time limit, and thereby would make possible considerable periods of stalling, when we can protect the right of a State, within a time limit, to make sure the State agencies are properly satisfied as to the means of effectuating the program.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. McNAMARA. I yield an additional minute to the Senator from Florida.

Mr. SMATHERS. I yield to my colleague from Florida.

Mr. HOLLAND. Is it not true that, if adopted, the pending amendment would be an amendment to the Javits amendment?

Mr. HUMPHREY. I believe that is correct.

Mr. HOLLAND. It would certainly put that amendment in better form. I understood that the amendment, when ready, would be offered by my distinguished colleague from Florida as a substitute for the Javits amendment.

Mr. HUMPHREY. As amended.

Mr. HOLLAND. It seems to me we had better proceed in both directions and have the problem cleared up.

Mr. HUMPHREY. I hope the Senate will proceed to defeat the Prouty amendment and agree to the Smathers amendment. That would accomplish the purpose we have in mind in terms of the authority and power of the States at least to review the programs, and provide the Governors with veto powers if the programs are found to be objectionable. At the same time it would permit the Office of the Director to have some coordinating authority and responsibility to effectuate the programs.

Mr. SMATHERS. Mr. President, will the Senator from Michigan yield an additional minute, so that I may yield to the Senator from Massachusetts for a question?

Mr. McNAMARA. I yield 1 minute to the Senator from Florida.

Mr. SALTONSTALL. It is my understanding that the amendment can go to the Prouty amendment and the Javits amendment together. Senators could vote "yea" on the Prouty amendment and "yea" on the Javits amendment, and then go forward and improve the bill.

My question is: Does the amendment of the Senator from Florida supplant the Prouty amendment and the Javits amendment?

Mr. SMATHERS. My amendment will be offered as a substitute for the Prouty amendment. It would supplant the Javits amendment. My amendment actually goes further than the Prouty amendment. The Prouty amendment is applicable only to title II, whereas my amendment is applicable to three paragraphs of title I—that is, to all the paragraphs except the one with respect to higher educational institutions, as to which I think everyone wishes the contractual relations which have existed between the Commission of Education and the Massachusetts Institute of Technology and other higher institutions of learning to continue as they are.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, I ask the chairman of the subcommittee to yield me 3 minutes on the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield 1 minute to the

Senator from Florida to permit him to explain his amendment?

Mr. McNAMARA. I yield 1 minute to the Senator from Florida.

Mr. SMATHERS. As I have said, we started with an amendment prepared by the able senior Senator from Georgia, and built from that. I am satisfied that the Senator from Georgia will support my amendment. The amendment reads:

In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with or provided to any private nonprofit or other private institution or organization for the purpose of carrying out any program, project, or other activity within a State, except where such institution is operating in conjunction with, or under the authority of, a public agency, unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission.

The amendment then provides an exclusion with respect to present educational contracts:

*Provided, however,* That this section shall not apply to contracts, grants, loans, or other assistance to any institutions of higher education in existence on the date of the approval of this Act.

The last proviso is language recommended by the Senator from Georgia.

The PRESIDING OFFICER. The time of the Senator from Florida has once again expired.

Mr. CLARK. Mr. President, I ask for 3 minutes to speak on the bill.

Mr. JAVITS. Mr. President, will the Senator defer to me to permit me to pursue this point?

Mr. McNAMARA. Mr. President, I yield 1 minute to the Senator from New York.

Mr. JAVITS. There are two things in the substitute amendment of the Senator from Florida that I think present us with a difficulty. I wish the Senator would think about them until we reach that point.

The first is that the amendment excludes public agencies and covers only private institutions. It excludes counties, cities, and towns. Thereby, it differs both from my amendment and the amendment of the Senator from Vermont [Mr. Prouty].

Second, it does not include that provision of the bill which relates to migrant labor, which I believe even the prospective administrator himself agrees is a proper subject for State authority, if States are to be given any authority in any part of the bill.

So, I commend to the Senator from Florida consideration of those two points in connection with the proposed substitute.

Mr. SMATHERS. Mr. President, will the Senator from Michigan yield me 1 minute to answer that particular point?

Mr. McNAMARA. I yield 1 minute to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 minute.

Mr. SMATHERS. Let me say to the able Senator from New York that that



point has been considered. It was discussed a moment ago in consultation with the able Senator from Georgia, the prospective Director of the program, and others; and the consensus of that group was that we could exclude from consideration by the Governor plans which were made with elected officials, public agencies such as county commissions, municipalities, and organizations of that character, because they are elected, and in that instance the Governor does not need to have veto authority.

The great danger would be that the agency might make a contract with the community chest of a certain city, the Elks Club, or some other charitable organization.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. CLARK. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. Mr. President, I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I should like to state the case against the amendment without regard to whether we can really accept any compromise amendment or not. I do this not only as a member of the committee, but also as chairman of the Subcommittee on Manpower and Employment of the Committee on Labor and Public Welfare which is vitally interested in the war against poverty.

Let us take a look at what we are really talking about.

We are talking about Title II: Urban and Rural Community Action programs. No such program can ever come up for approval or disapproval by the Director, or by the Governor of any State, unless the community wishes it, unless the county or the city wishes the program.

This is exactly the situation with which we have been dealing for years with respect to urban renewal.

I ask all Senators how much urban renewal they would now have in their States if they had to rely on the cooperation of rural legislators, or Governors, who, in the last analysis, are responsible to rural legislatures.

The strong case against the Prouty amendment is that. If it were adopted, there would be State after State in which Governors would turn down Federal assistance, and yet the city or the county might wish that program. We got around that difficulty many years ago, through the genius of a fine conservative Republican, Robert A. Taft, with the urban renewal program.

I suggest that cooperation from the Governor and from the State government is adequately provided for on page 71 of the bill, which reads:

The Director shall establish procedures which will facilitate effective participation of the State in community action programs.

I am against giving any Governor a veto on the war against poverty. Therefore, I hope that the Prouty amendment will be defeated.

Mr. TOWER. Mr. President, I believe that the argument advanced by my good friend the Senator from Pennsylvania is indicative. What people would like to do is to abolish all lines in the

cities. I point out that a city is a corporate creature of the State, and that the Federal Government has no business going around the State government to get to the cities. If we are to charter cities, if we are to control cities, let us forget about the rights, privileges, and immunities which States enjoy under the Constitution.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont [Mr. Prouty] to the committee amendment.

Mr. DIRKSEN. Mr. President, yesterday, the amendment was not at the desk. I suggest to the junior Senator from Florida [Mr. SMATHERS] that he send it to the desk, and that the clerk clearly, slowly, and distinctly read the amendment, because if this text means anything, it applies only to nonprofit private, or other private institutions or organizations for the purpose of carrying out any project. It does not touch a single public project. If this is the language, and the senior Senator from Florida [Mr. HOLLAND] is so eternally right, it will not do the job, and the Prouty amendment should be adopted. Let us have the language of the junior Senator from Florida [Mr. SMATHERS] read.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and the clerk will read the amendment.

Mr. HOLLAND. Mr. President, which amendment is about to be read?

The PRESIDING OFFICER. The substitute submitted by the Senator from Florida [Mr. SMATHERS].

Mr. HOLLAND. As a substitute to the Javits amendment, whether amended or not. I thank the Chair.

The legislative clerk proceeded to read the amendment, as follows:

In lieu of the language proposed by the Senator from New York [Mr. JAVITS] it is proposed to insert the following:

"Sec. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

"(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

"(c) In carrying out the provisions of title I and title II of this Act no contract, agreement, grant, loan, or other assistance shall be made with or provided to, any private nonprofit or other private institution or organization for the purpose of carrying out any program, project, or other activity within a State, except where such institution or organization is operating in conjunction with, or under the authority of, a public agency, unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within 30 days of such submission. *Provided, however,* That this section shall not apply to contracts, grants, loans, or other assistance to any institutions of higher education in existence on the date of the approval of this Act."

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield me 1 minute?

Mr. McNAMARA. I yield 1 minute to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 1 minute.

Mr. SALTONSTALL. The suggestion of the Senator from Florida still does not deal directly with any public agency. For example, in Massachusetts there is the division of public welfare. As I read the proposed amendment, the Director in Washington could go directly to the division of public welfare in Massachusetts and bypass the Governor. This applies, of course, to private institutions—with which I am heartily in accord—and others, with respect to which the Governor has 30 days in which to decide, but this proposal still is not so broad as the Prouty amendment, which directly states that no money should come in unless the Governor approves.

This does not permit the Governor to approve or disapprove any grant of any assistance directly to a public agency in the Commonwealth of Massachusetts or in any other State, or in any city.

I believe that the Prouty amendment is a better amendment than this one.

Mr. RUSSELL. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. Mr. President, I yield 2 minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 2 minutes.

Mr. RUSSELL. Mr. President, it so happens that the language under discussion appeared in my original amendment, No. 1127, which I prepared and had printed yesterday. I deliberately prepared this amendment to apply to agencies or organizations which were beyond the control of the State. The State has command of its public welfare service.

In my State, the Governor could fire the head of the public welfare service tomorrow if he dealt with this agency without his consent.

If he does not have such authority, the State has the authority to enact a law which would give the Governor such power.

I am a States rights man from the ground up but I regard it as my duty to protect the proper powers and functions of the States from encroachment by the Federal power. My concept of States rights does not require me to defend the Governor against one of his appointees or the State against one of its subdivisions.

This amendment was drafted to reach cases in which the action of the director of the program would be dealing with agencies which were beyond the control of the State government. That is the reason why I did not include counties, cities, or State agencies. The State can enact a law which will control the acts of all the State's creatures. Counties and cities are creatures of the States. So the State can control their actions and relations with this program.

That is the reason why we did not go into the public welfare, and we did not go into the State park service, or the State game and fish commission, because they are already under the State govern-



ment, and the State can control their actions.

The amendment was leveled at those agencies, or those organizations that were beyond the control of the State. I voted for the Prouty amendment. I have nothing against placing both provisions in the bill. But certainly the amendment is as consistent as possible with the doctrine of States rights. It covers everything that the State itself cannot reach. That was my purpose in drafting the amendment to apply to private organizations and agencies and not to local governments and departments of the State government.

The PRESIDING OFFICER. The question is on agreeing to the Prouty amendment to the committee amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALTERS (when his name was called). Mr. President, on this vote I have a pair with the Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "aye." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Indiana [Mr. BAYH] are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr. YARBOROUGH], the Senator from New Mexico [Mr. ANDERSON], the Senator from California [Mr. ENGLE], and the Senator from Indiana [Mr. BAYH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 45, nays 46, as follows:

[No. 476 Leg.]

#### YEAS—45

|           |               |                |
|-----------|---------------|----------------|
| Alken     | Fong          | Mundt          |
| Allott    | Hickenlooper  | Pearson        |
| Beall     | Hill          | Prouty         |
| Bennett   | Holland       | Robertson      |
| Boggs     | Hruska        | Russell        |
| Byrd, Va. | Jordan, N.C.  | Saltonstall    |
| Carlson   | Jordan, Idaho | Simpson        |
| Case      | Keating       | Smith          |
| Cooper    | Kuchel        | Sparkman       |
| Cotton    | Lausche       | Stennis        |
| Curtis    | Long, La.     | Talmadge       |
| Dirksen   | McClellan     | Thurmond       |
| Eastland  | Mechem        | Tower          |
| Ellender  | Miller        | Williams, Del. |
| Ervin     | Morton        | Young, N. Dak. |

#### NAYS—46

|              |           |                |
|--------------|-----------|----------------|
| Bartlett     | Hayden    | Morse          |
| Bible        | Humphrey  | Moss           |
| Brewster     | Inouye    | Muskie         |
| Burdick      | Jackson   | Nelson         |
| Byrd, W. Va. | Javits    | Neuberger      |
| Cannon       | Johnston  | Pastore        |
| Church       | Long, Mo. | Pell           |
| Clark        | Magnuson  | Proxmire       |
| Dodd         | Mansfield | Randolph       |
| Douglas      | McCarthy  | Ribicoff       |
| Edmondson    | McGee     | Smathers       |
| Fulbright    | McGovern  | Symington      |
| Gore         | McIntyre  | Williams, N.J. |
| Gruening     | McNamara  | Young, Ohio    |
| Hart         | Metcalf   |                |
| Hartke       | Monroney  |                |

#### NOT VOTING—9

|          |           |            |
|----------|-----------|------------|
| Anderson | Engle     | Scott      |
| Bayh     | Goldwater | Walters    |
| Dominick | Kennedy   | Yarborough |

So Mr. PROUTY's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended, of the Senator from New York [Mr. JAVITS] to the Committee amendment. The Senator from New York has 18 minutes remaining.

Several Senators addressed the Chair.

Mr. JAVITS. Mr. President, I am entitled to the floor. If the Senator from Florida wishes to present his substitute, I shall, of course, withhold my comments.

Mr. McNAMARA. Mr. President, I yield to the Senator from Florida whatever time he may require.

Mr. SMATHERS. Mr. President, I call up my substitute amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, a parliamentary inquiry, and for that purpose I yield myself 1 minute.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. So that I may understand the parliamentary situation in respect to the substitute, what is the parliamentary situation?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that under the rules of the Senate all time on the pending amendment must be used or yielded back before an amendment thereto or a substitute is in order.

Mr. JAVITS. Except by unanimous consent.

The PRESIDING OFFICER. Except by unanimous consent.

Mr. JAVITS. Such a unanimous-consent request is now pending.

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The amendment of the Senator from Florida will be stated.

The LEGISLATIVE CLERK. In lieu of the language proposed by the Senator from New York, it is proposed to insert the following:

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing techni-

cal assistance to communities in developing, conducting, and administering community action programs.

(c) In carrying out the provisions of title I and title II of this Act no contract, agreement, grant, loan, or other assistance shall be made with or provided to, any private nonprofit or other private institution or organization for the purpose of carrying out any program, project, or other activity within a State, except where such institution or organization is operating in conjunction with, or under the authority of, a public agency, unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within 30 days of such submission. *Provided, however,* That this section shall not apply to contracts, grants, loans, or other assistance to any institutions of higher education in existence on the date of the approval of this Act.

The PRESIDING OFFICER. The Senator from Florida is recognized for 30 minutes.

Mr. SMATHERS. Mr. President, I yield to the Senator from Oregon [Mr. MORSE] 8 minutes.

Mr. MORSE. Mr. President, the Senate is now debating a truly historic measure, which, when it is enacted, will commit us as a nation to start along the road which will lead to the elimination of the blight which has afflicted the great societies of the past.

To hold these ideals and to attempt to clothe these ideals in the statutory language which will enable us to begin to realize the ideals, is a task to be approached with grave concern and earnest determination to succeed. In my judgment, the steps which are proposed in S. 2642 while admittedly not perfect are nevertheless needed if we are to begin the job. Today, while supporting all aspects of the bill, I propose to address myself principally to the two sections of it which have specifically educational implications.

In the 87th Congress testimony was taken in connection with S. 1021, the general Federal aid to education bill, and amendments to the National Defense Education Act, which touched upon the problem of adult illiteracy.

In the 88th Congress, in connection with the President's omnibus education bill, S. 580, far more detailed testimony was given by both administration and outside witnesses of the nature and extent of the problem. Included in the testimony presented before our Education Subcommittee by Commissioner Keppel were startling statistics relating to the interrelation between low educational attainment and unemployment.

Mr. President, according to the Commissioner, of our adult population 25 years and older, 6.2 percent of our white and 22.1 percent of our nonwhite citizens have completed less than 5 years of school. This is not, however, a regional problem. This is a problem which can be found in every State in the Union. A table which may be found in the committee report sets forth the distribution of population 18 years or over with less than 6 grades of school completed. I ask



unanimous consent that this table be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Estimated distribution of \$25,000,000 under the adult basic education provisions of title II-B<sup>1</sup>*

|                                         | Estimated population 18 and over with less than 6 grades of school completed | Estimated State amounts |
|-----------------------------------------|------------------------------------------------------------------------------|-------------------------|
| United States and outlying parts.....   |                                                                              | \$25,000,000            |
| 50 States and District of Columbia..... | \$11,472,732                                                                 | 24,500,000              |
| Alabama.....                            | 369,538                                                                      | 784,085                 |
| Alaska.....                             | 12,123                                                                       | 50,000                  |
| Arizona.....                            | 93,587                                                                       | 198,573                 |
| Arkansas.....                           | 202,170                                                                      | 428,964                 |
| California.....                         | 687,376                                                                      | 1,458,474               |
| Colorado.....                           | 59,262                                                                       | 125,742                 |
| Connecticut.....                        | 136,029                                                                      | 288,626                 |
| Delaware.....                           | 21,229                                                                       | 50,000                  |
| Florida.....                            | 357,352                                                                      | 758,229                 |
| Georgia.....                            | 476,075                                                                      | 1,010,136               |
| Hawaii.....                             | 51,426                                                                       | 109,116                 |
| Idaho.....                              | 17,745                                                                       | 50,000                  |
| Illinois.....                           | 517,183                                                                      | 1,097,359               |
| Indiana.....                            | 178,192                                                                      | 378,088                 |
| Iowa.....                               | 70,074                                                                       | 148,683                 |
| Kansas.....                             | 61,058                                                                       | 129,553                 |
| Kentucky.....                           | 308,090                                                                      | 653,705                 |
| Louisiana.....                          | 443,389                                                                      | 940,783                 |
| Maine.....                              | 35,010                                                                       | 74,284                  |
| Maryland.....                           | 196,031                                                                      | 415,938                 |
| Massachusetts.....                      | 247,132                                                                      | 524,364                 |
| Michigan.....                           | 339,026                                                                      | 719,345                 |
| Minnesota.....                          | 98,952                                                                       | 209,956                 |
| Mississippi.....                        | 278,065                                                                      | 589,998                 |
| Missouri.....                           | 244,266                                                                      | 518,283                 |
| Montana.....                            | 21,563                                                                       | 50,000                  |
| Nebraska.....                           | 41,022                                                                       | 87,040                  |
| Nevada.....                             | 8,012                                                                        | 50,000                  |
| New Hampshire.....                      | 20,160                                                                       | 50,000                  |
| New Jersey.....                         | 363,811                                                                      | 771,934                 |
| New Mexico.....                         | 71,915                                                                       | 152,589                 |
| New York.....                           | 1,081,984                                                                    | 2,295,753               |
| North Carolina.....                     | 530,639                                                                      | 1,125,910               |
| North Dakota.....                       | 26,136                                                                       | 55,455                  |
| Ohio.....                               | 421,276                                                                      | 893,863                 |
| Oklahoma.....                           | 145,550                                                                      | 308,828                 |
| Oregon.....                             | 47,761                                                                       | 101,339                 |
| Pennsylvania.....                       | 630,417                                                                      | 1,337,619               |
| Rhode Island.....                       | 48,727                                                                       | 103,389                 |
| South Carolina.....                     | 318,568                                                                      | 675,937                 |
| South Dakota.....                       | 21,947                                                                       | 50,000                  |
| Tennessee.....                          | 384,621                                                                      | 816,089                 |
| Texas.....                              | 914,439                                                                      | 1,940,266               |
| Utah.....                               | 17,551                                                                       | 50,000                  |
| Vermont.....                            | 11,886                                                                       | 50,000                  |
| Virginia.....                           | 392,678                                                                      | 833,184                 |
| Washington.....                         | 78,304                                                                       | 166,145                 |
| West Virginia.....                      | 151,204                                                                      | 320,825                 |
| Wisconsin.....                          | 168,461                                                                      | 357,440                 |
| Wyoming.....                            | 9,361                                                                        | 50,000                  |
| District of Columbia.....               | 44,359                                                                       | 94,121                  |
| Outlying parts.....                     |                                                                              | 500,000                 |
| American Samoa.....                     |                                                                              |                         |
| Guam.....                               |                                                                              |                         |
| Puerto Rico.....                        |                                                                              |                         |
| Virgin Islands.....                     |                                                                              |                         |

<sup>1</sup> Distribution based on the estimated population aged 18 and over with less than 6 grades of school completed, with a minimum of \$50,000 to each of the 50 States and District of Columbia, and 2 percent (\$500,000) reserved for distribution to the outlying parts.

Mr. MORSE. What are the consequences of limited educational attainment? They are lower earnings capacity; they are to be found in higher rate of unemployment; proportionally more dependence upon public aid; and, last but not least significantly, a higher rejection rate for military service.

Let us look at each of these points.

With respect to occupation and earnings, according to a paper by Dr. Edward W. Brice and Dr. Earl E. Huyck:

Among men 18 years old and over in 1959, 60 percent of the college graduates were in professional and technical fields, and about

20 percent were managers, officials, or proprietors. Among men who completed high school, but did not go beyond, a majority were found in three occupation groups—craftsmen; operatives; and managers, officials or proprietors. Those with some high school, but lacking 4 complete years, and men who finished elementary school, but who did not go on to high school, were most likely to have become operatives or craftsmen. Those with lesser amounts of education were most usually found—when employed at all—in farm, service, and unskilled laboring jobs.

Of all employed men, as of 1957, in the age group 35 to 54 who had completed less than 8 years of elementary school, 92 percent earned less than \$6,000 per year. In contrast, 65 percent of high school graduates and only 29 percent of college graduates had income below this level.

Employed workers with an eighth grade education or less have 65 percent of the incomes between \$1,000 and \$1,500 and 61 percent of the incomes between \$1,500 and \$2,500.

Then, with respect to unemployment and underemployment, these same authors tell us:

Unskilled workers have the highest rates of unemployment and the lowest average level of education. A Department of Labor study for March 1959 showed an unemployment rate of 10 percent for workers with under 5 years completed, a rate of 9.8 percent for those with 5 to 7 years schooling, 4.8 percent for high school graduates, and 1.8 percent for college graduates. These rates had not changed substantially by March 1962.

The rate of unemployment in 1962 among proprietors, managers, professional, and technical personnel was between 1 and 2 percent. Clerical and salesworkers were unemployed at the rate of approximately 4 percent. But semiskilled workers were out of work at the rate of 7½ percent and unskilled workers at the rate of about 12 percent.

Senators, in my judgment, will also be concerned with the factual picture with respect to our military service obligation which these authors have brought to our attention when they say:

In World War II, some 400,000 illiterates were accepted for military service. The Armed Forces provided these men with the educational fundamentals necessary for useful service. Another 300,000 illiterates—equal to 20 army divisions—were rejected completely.

During the Korean war over 19 percent of all recruits were rejected from military service on grounds of educational deficiencies. Experience showed that many of these men could learn, but overcoming their previous educational deprivations was costly and time consuming. Draft registrants rejected for mental reasons, including educational deficiencies, ranged from 56 to 39 percent in the four highest States. Ten other States had rejection rates exceeding 21 percent.

From July 1950 to September 1961, over 900,000 draft registrants out of 6 million examined were rejected on the basis of a mental test alone. This number was almost as many as were disqualified on medical grounds. Low educational attainment was the largest single reason for rejection.

This is the background against which we ought to evaluate title II of the bill.

The purpose of part B of title II is, through grants to the States, to initiate programs of instruction for individuals 18 years and older whose inability to read and write the English language con-

stitutes a substantial impairment of their ability to get and retain employment commensurate with their native potential abilities.

Using matching grants, in accordance with State plans worked out by State officials to fund pilot projects by local educational agencies, including the cost of instruction of the individuals served, under a formula which takes into account the number of individuals in each State 18 years or older who have completed no more than 5 grades of school with a minimum State allotment of \$50,000, constitutes a program in the tradition of the categorical assistance programs which have received Senate approval in past years. The cost of this part of the program of S. 2642, \$25 million, is certainly not excessive, but it will provide the necessary start to get workable programs in each of our States established. The return to these United States and to each of the States of this investment will far outweigh the initial cost of the program if it helps even a small part of the 11 million potential recipients of this type of assistance to acquire the essential techniques of modern living and employability.

In support of this part of S. 2642, Mr. President, I close with the words given by the U.S. Commissioner of Education as part of his testimony on the omnibus education bill, S. 580:

Gentlemen, the fact is that most of the persons with less than a fifth-grade education—and many of those with less than an eighth-grade education—lack a solid foundation of basic education—the ability to read, write, and do simple arithmetic. Surely, most of those who have not completed an elementary education cannot be considered truly functionally literate in a world of swift-moving technological, economic, and social change.

As I hope to show this morning, the cost to the Nation of this lack of basic educational skills among so large a group of our fellow Americans is staggering. Here we find the hard core of our unemployed, supported by mounting public welfare funds. Here are people willing but usually unable to benefit from vocational training programs simply because they lack the basic educational tools which are a prerequisite to training and subsequent employment. The problem of limited educational attainment is not confined to any particular area or population group. It is nationwide. In New York State the number of adults over age 25 with less than 8 years of schooling is nearly 2 million; in Illinois, California, Pennsylvania, and Texas it ranges from 1 to 1½ million. Thirteen other States—Alabama, Florida, Georgia, Kentucky, Louisiana, Massachusetts, Michigan, Missouri, New Jersey, North Carolina, Ohio, Tennessee, and Virginia—each have more than half a million such adults.

Mr. President, without taking the time of the Senate to develop these points further, I ask unanimous consent that the material starting on page 32 of a committee print containing Commissioner Keppel's testimony of June 25, 1963, and continuing through the middle of page 35 of that document, consisting of excerpts from the Commissioner's testimony, be printed at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:



## EXCERPT OF COMMISSIONER KEPPEL'S TESTIMONY

I would like to cite one example from the experience of the city of Chicago. The much-discussed Woodlawn project in Cook County, Ill., clearly shows the relationship between educational deficiencies and the incidence of people on relief. A study conducted under the direction of Raymond M. Hilliard, director of the Cook County Department of Public Aid, shows that 50.7 percent of Chicago's able-bodied relief recipients cannot pass fifth-grade reading and vocabulary tests. More than one-half of those receiving relief—which costs Cook County the striking figure of \$16.5 million a month—are functional illiterates, men and woman over age 18 who cannot read or write on the fifth-grade level. Seven and a half percent of Cook County's total population—269,000 people—are living on welfare funds. In a society increasingly inhospitable to those who cannot perform elementary tasks requiring some degree of proficiency in language and arithmetic skills, is it any wonder that undereducation, unemployment, and mounting welfare costs all go hand in hand?

Contrary to popular opinion, those who live on relief money in Cook County were not found to be primarily immigrants, people who have moved there recently from foreign countries, rural areas, or from the South. Most of them are longtime residents of the area and many are second and third generation relief recipients whose parents and grandparents lived on welfare funds. Many have never known a way of life in which an individual lives on income earned by his own efforts.

Mr. Hilliard concluded: "Obviously, if the staggering burden of relief today is to be reduced, it is essential that the educational level of these persons be upgraded. This is an age of crash programs; but if ever a crash program was needed, it is now. Otherwise we will have a growing population transmitting from generation to generation a sense of despair and resignation over their inability to be functioning members of society. Society can no longer afford this waste of our human resources, nor can it let this explosive situation continue its rapid growth."

Current programs in Cook County, however, touch only a fraction of those needing help. At present, 7,600 adults are enrolled in classes. Of these, 5,400 are in elementary and secondary classes, and the remainder in vocational training activities. This, of course represents progress, but there are over 50,000 persons on waiting lists who cannot receive training because of the lack of funds necessary to establish additional classes. Tens of thousands of additional persons could, we believe, be recruited for literacy training if classes were available to accommodate them.

A study, conducted by the U.S. Bureau of Family Services in late 1961, reveals a similar connection between low educational attainment and dependency. Based upon a nationwide survey of 910,000 family units then receiving assistance under legislation for aid to families with dependent children (AFDC), the study revealed these preliminary findings:

Sixty-two percent of the jobless aid to families with dependent children fathers had no education beyond elementary school.

"Of those aid to families with dependent children fathers who were incapacitated, 83 percent had no education beyond elementary school, 42 percent had been in school less than 5 years, and only 6 percent had been graduated from high school.

"This study also indicated that of all women in the 20 to 55 age group with less than 5 years of schooling, 1 in 14 was on aid to families with dependent children. Of all who completed elementary school, 1 in 34 was receiving such assistance. Of all high

school graduates who did not go on to college, 1 in 155 was supported by aid to families with dependent children. But of all college graduates, only 1 in 1,765 was on aid to families with dependent children. The data 'strongly suggest that the lack of an adequate education contributes heavily to the inability of these women to cope with their problems without public assistance.'"

There are today in this country 7.25 million persons receiving welfare payments. Total annual Federal, State, and local expenditures for this purpose now exceed \$4.5 billion. The link between these heavy burdens on the taxpayer and low educational attainment seems beyond dispute: 45 percent of all families with less than \$2,000 annual income have a head of the family with less than an eighth-grade education. A 1957 study in New York showed that almost a fifth of the mothers on the aid-to-dependent-children rolls had not completed the fifth grade and that, among families receiving general assistance, half the family heads had completed only 6 years of schooling. In 1960, Illinois reported that a fifth of their aid-to-dependent-children mothers had not gone beyond the sixth grade. In Louisiana, in 1954, half the aid-to-dependent-children mothers and three-fourths of the fathers in the home had received only a fifth-grade education or less.

Last year, in hearings before Mr. PERKINS' subcommittee, it was reported that Mr. Otis Farrar, director of adult education in the State education department of Arkansas, said that 89.4 percent of all the people on Arkansas' welfare rolls had less than a fourth-grade education. In a similar vein, Mr. Larry Larrieviere, assistant superintendent of public instruction in Louisiana, testified that 72 percent of the unemployed in his State had less than a sixth-grade education, and that 96 percent of this group had not completed high school.

To avoid dependency, the adult with a limited education needs a job. Yet, both the civilian and military sectors of our economy have found many of these persons inadequately prepared to train them for the work that is available.

One such instance occurred recently when an Armour & Co. plant closed in Oklahoma City. An automation committee—established by Armour, the United Packinghouse Workers Union, and the Amalgamated Meat Cutters Union—found that of 170 workers who were tested for retraining only 60 had enough educational background to indicate that they would benefit from vocational training. The remaining 65 percent were told that their best chance for employment would be in casual labor. And jobs for unskilled labor, we all know, are becoming increasingly scarce.

During the Korean war, the military encountered the same problem. Over 19 percent of all recruits were rejected on grounds of educational deficiencies. In some States the rejection rate was as high as 40 to 56 percent. Experience had demonstrated that it was too costly and time consuming an effort to overcome the educational shortcomings of these men—even though almost all were capable of learning. Despite a popular misconception, the problem of adult educational deprivation is not one that will "go away by itself." It is true that in 1957 nearly 60 percent of all adult illiterates were over 55 years of age. It is also true that our children are considerably better educated than their parents. But census data tell us that time alone brings scant quantitative improvement to the problem.

According to a 1960 census question on years of schooling completed, a total of 8,303,000 adults aged 25 and over had less than 5 years of schooling a decade earlier, 9,446,000 adults had completed less than 5 years of schooling. The net differential between 1950 and 1960 was therefore 1,143,000, or an

average decrease of only about 114,000 a year over the 10-year period. Assuming that all factors in the situation remain fairly constant and that there is no program of Federal stimulation to underwrite the eradication of this problem, it will require many decades for adult undereducation to be eliminated. We cannot wait that long—except at grave peril to our prosperity and our national security.

Despite the wasteful costs of adult undereducation, what is being done about the problem in the United States today?

The blunt answer is that the problems of limited educational attainment and illiteracy do not receive substantial attention, either from the public at large or from State and local political and educational leaders. Although the armed services have repeatedly called attention to them; although Federal officials—notably the Secretary of Labor and the Administrator of the Area Redevelopment Administration—have from time to time underscored their importance and expressed the hope that the matter would receive prompt attention, the response has been meager indeed.

On the basis of two surveys made by the Office of Education in 1948 and 1950, it was estimated that 30,000 adults were enrolled in literacy classes, and an estimated 60,000 enrollees of non-English-speaking background were enrolled in Americanization and citizenship classes. In other words, of the little that was then being done, the major part was focused on the needs of immigrants. It was concluded that far less than 2 percent of the total number of illiterate adults in the United States were enrolled in formal educational classes.

According to a 1958-59 Office of Education survey, 2.9 million persons were attending public school adult education programs. This impressive figure recognizes the voluntary interest and personal sacrifice of many communities in providing for continuing education. But of the 15,200 school systems studied, only 4,840 reported any type of adult education programs, and of these 4,840 only 160, or 3.3 percent, offered any instruction whatsoever in adult basic education. Thus, in a Nation with over 23 million educationally deprived adults, only 1,430 classes—1.1 percent of all adult education classes—were conducted in basic literacy skills and only 47,500 adults were being taught. Even such literacy instruction as was carried on occurred almost exclusively in cities having a population of over 25,000. Instructional offerings were practically nonexistent in rural areas with their higher rates of adult undereducation.

As a Nation we have continued to wrestle with this problem over the years, but never with the necessary vigor. State and local educational bodies have, here and there, done a great deal to solve the problem. Governors' proclamations and declarations and public information campaigns by different groups have occasionally been used to arouse interest in solutions. We know that a wide variety of agencies, but not enough equipped with the requisite resources, are successfully using various educational techniques and principles to reduce the effects of undereducation.

Mr. Chairman, in conclusion, we need increased public awareness of this problem. We also need increased insight into the social, economic and human factors involved. And we need leadership and financial aid by the Federal Government as well as State and local governments for a thoroughgoing drive against this enemy to economic progress and increased productivity. This adult basic education bill would make possible important improvements in instruction and an important increase in research, demonstration, and pilot project opportunities which could be undertaken by the States and territories.



## WORK STUDY PROGRAM

Mr. MORSE. Mr. President, I turn now to the next major aspect of the bill with substantial educational implications. I refer to title I, part C. With regard to these provisions, Mr. President, I can certify to Senators that strong support has been given to programs whereby young men and women from low-income families who have succeeded in being accepted by our institutions of higher education will be given the opportunity to earn while they are in school, a portion of the costs which they incur while attending school. Testimony on work-study programs, work scholarships if you will (have been repeatedly taken by the Education Subcommittee in measures before it.

The Senate approved in principle, the concept when it accepted the work-study provisions of the Vocational Education Act, Public Law 88-210. It is my earn-

est hope that this very American way of helping dedicated young men and women help themselves to secure the higher education which their talents and capacities require, will again be given the approval of this body. The committee report sets forth the purposes succinctly. Title I, part C is designed to accomplish three ends:

First. To provide a financial assistance base for needy college and university students from low-income families through parttime employment opportunities.

Second. To assist colleges and universities in broadening and expanding their on-campus work programs.

Third. To aid colleges and universities in developing new off-campus employment through arrangements with public agencies and private nonprofit organizations directly involved with educational, recreational, welfare, social

service, and other activities of public interest.

The \$71,700,000 authorized for this part, which is distributed among the States according to a three-factor formula which takes into account college enrollment, number of high school graduates and the number of children 18 years and under from families with annual incomes under \$3,000 in each State, in my judgment, assures that an equitable distribution will be achieved among those institutions of higher education in our country which will participate.

Mr. President, I ask unanimous consent that the table which appears in the committee report relating to the work-study program be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

## ECONOMIC OPPORTUNITY ACT OF 1964, PART C, TITLE I—WORK STUDY PROGRAM

*Estimates of distribution of \$71,700,000 with 2 percent reserved for distribution to the outlying parts*

| State         | Total        | On basis of full-time college students enrolled | On basis of high school graduates | Number of children under 18 in families with income under \$3,000 | State                | Total     | On basis of full-time college students enrolled | On basis of high school graduates | Number of children under 18 in families with income under \$3,000 |
|---------------|--------------|-------------------------------------------------|-----------------------------------|-------------------------------------------------------------------|----------------------|-----------|-------------------------------------------------|-----------------------------------|-------------------------------------------------------------------|
| Grand total   | \$71,700,000 | \$23,900,000                                    | \$23,900,000                      | \$23,900,000                                                      | Montana              | \$283,175 | \$107,505                                       | \$99,482                          | \$76,188                                                          |
| Total         | 70,266,000   | 23,422,000                                      | 23,422,000                        | 23,422,000                                                        | Nebraska             | 616,509   | 223,418                                         | 200,718                           | 192,374                                                           |
| Alabama       | 1,716,951    | 324,279                                         | 404,137                           | 988,535                                                           | Nevada               | 80,431    | 25,474                                          | 35,910                            | 19,047                                                            |
| Alaska        | 53,775       | 9,504                                           | 19,510                            | 24,761                                                            | New Hampshire        | 212,367   | 95,393                                          | 78,880                            | 38,094                                                            |
| Arizona       | 611,507      | 239,809                                         | 185,038                           | 186,660                                                           | New Jersey           | 1,563,989 | 453,584                                         | 784,226                           | 316,179                                                           |
| Arkansas      | 1,055,469    | 209,939                                         | 236,028                           | 609,502                                                           | New Mexico           | 415,312   | 120,284                                         | 114,082                           | 180,964                                                           |
| California    | 5,809,750    | 2,446,011                                       | 2,253,303                         | 1,110,436                                                         | New York             | 5,085,160 | 1,898,369                                       | 2,064,927                         | 1,121,846                                                         |
| Colorado      | 737,359      | 327,869                                         | 232,354                           | 177,136                                                           | North Carolina       | 2,536,967 | 692,784                                         | 591,852                           | 1,352,331                                                         |
| Connecticut   | 748,034      | 299,150                                         | 336,507                           | 112,377                                                           | North Dakota         | 336,631   | 113,634                                         | 108,715                           | 114,282                                                           |
| Delaware      | 143,963      | 46,047                                          | 57,917                            | 39,999                                                            | Ohio                 | 3,149,790 | 1,152,124                                       | 1,231,980                         | 765,686                                                           |
| Florida       | 1,873,202    | 535,684                                         | 558,499                           | 779,019                                                           | Oklahoma             | 1,118,484 | 380,774                                         | 324,392                           | 413,318                                                           |
| Georgia       | 1,926,678    | 390,531                                         | 452,377                           | 1,083,770                                                         | Oregon               | 714,246   | 320,896                                         | 267,640                           | 125,710                                                           |
| Hawaii        | 247,874      | 82,046                                          | 112,497                           | 53,331                                                            | Pennsylvania         | 3,705,820 | 1,236,816                                       | 1,522,372                         | 946,632                                                           |
| Idaho         | 272,011      | 92,647                                          | 106,986                           | 72,378                                                            | Rhode Island         | 296,218   | 124,457                                         | 103,192                           | 68,569                                                            |
| Illinois      | 3,169,810    | 1,167,305                                       | 1,236,819                         | 765,686                                                           | South Carolina       | 1,360,279 | 236,940                                         | 300,512                           | 822,827                                                           |
| Indiana       | 1,682,425    | 675,712                                         | 612,442                           | 394,271                                                           | South Dakota         | 355,295   | 109,607                                         | 104,741                           | 140,947                                                           |
| Iowa          | 1,203,831    | 448,199                                         | 405,169                           | 350,463                                                           | Tennessee            | 1,868,717 | 462,935                                         | 439,627                           | 956,155                                                           |
| Kansas        | 933,763      | 384,080                                         | 328,739                           | 220,944                                                           | Texas                | 4,317,727 | 1,291,677                                       | 1,106,121                         | 1,919,929                                                         |
| Kentucky      | 1,464,578    | 333,307                                         | 333,205                           | 798,066                                                           | Utah                 | 479,008   | 266,434                                         | 145,910                           | 66,664                                                            |
| Louisiana     | 1,732,678    | 428,815                                         | 401,039                           | 902,324                                                           | Vermont              | 184,663   | 81,417                                          | 57,533                            | 45,713                                                            |
| Maine         | 342,086      | 97,142                                          | 130,662                           | 114,282                                                           | Virginia             | 1,636,483 | 390,899                                         | 443,709                           | 801,875                                                           |
| Maryland      | 1,025,401    | 331,904                                         | 394,460                           | 299,037                                                           | Washington           | 1,088,613 | 471,572                                         | 424,667                           | 192,374                                                           |
| Massachusetts | 1,870,943    | 907,498                                         | 692,979                           | 270,466                                                           | West Virginia        | 878,882   | 205,690                                         | 244,636                           | 428,556                                                           |
| Michigan      | 2,733,109    | 1,019,191                                       | 1,083,465                         | 630,453                                                           | Wisconsin            | 1,493,608 | 575,080                                         | 604,254                           | 314,274                                                           |
| Minnesota     | 1,465,634    | 571,175                                         | 517,330                           | 377,129                                                           | Wyoming              | 125,246   | 49,016                                          | 45,765                            | 30,475                                                            |
| Mississippi   | 1,475,646    | 278,953                                         | 259,584                           | 937,109                                                           | District of Columbia | 356,919   | 205,467                                         | 63,836                            | 87,616                                                            |
| Missouri      | 1,728,984    | 582,958                                         | 561,285                           | 584,741                                                           | 2 percent reserve    | 1,434,000 | 478,000                                         | 478,000                           | 478,000                                                           |

Mr. MORSE. In conclusion, Mr. President, I would emphasize two points:

First. There has been much testimony in support of the principles of such a work-study program on the part of educators, on the part of national organizations and upon the part of the Office of Education.

Second. I would stress that enactment of this portion of S. 2742 meets the needs of a selected group of youngsters who are attending our schools and colleges—those who come from low-income families.

It would be my hope that the Senate, by signifying its approval of this portion of the bill can then use it as a precedent to give further support to other work-study programs involving more young men and women who are in need of such assistance to complete their educations but who are more fortunate in that their families have been able to acquire a larger share of the Nation's income.

I hope that when the Senate debates S. 2490, which is such a bill, it will at that time approve a complementary work-study program for the many additional thousands of our young people who can benefit by it.

Mr. President, as we consider these two sections of the Economic Opportunity Act and indeed as we consider each and every section of this act, it is my belief that we ought to be guided by an underlying philosophy which is a reflection of our basic belief in the democratic ideal.

When we propose programs such as the ones in this bill and such as guided our predecessors in the Senate in the approval of landmark legislation such as the land-grant college act of a century ago, we are proclaiming our belief that the Creator has endowed each citizen with potentialities for self-improvement which can only be realized if the environment is present which will allow

these native talents to grow and develop to their fullest.

There is little that can be done to change the genetic makeup of the individual but there is everything which can be done to make sure that each man and each woman is given an opportunity to develop his abilities. For myself, I reject the concept heard far too often that men and women, boys and girls, are inherently bad. Rather, with William James, I would hold that the waxen tablet of the genetic constitution of the individual has impressed upon it by external forces many characteristics through education, through training, and through opportunity for development. We can create the external conditions which will allow improvements to come about. To take the contrary view as is currently fashionable, is to deny the possibility of progress. This I cannot accept, since to do so would have meant that the human race would still



be seeking its subsistence in the daily chase after the undomesticated animal and warming itself at night over brands taken from the lightning-set fires.

We have come a long way in our history from the primitive and we have come because men and women have sought to realize ideals and visions in their laws and in their customs. The vision we are asked today to embrace, the abolition of poverty, is a great and noble one. The means to start to do it lie within our hands and hang upon our votes.

I urge passage of the bill.

Mr. President, I ask unanimous consent that two communications I have received in opposition to the bill from Mr. William W. Wessinger of the Portland, Oreg., Chamber of Commerce be printed at this point as my remarks.

There being no objection the communications referred to were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG.,  
July 20, 1964.

HON. WAYNE MORSE,  
Senate Office Building,  
Washington, D.C.:

Reference antipoverty legislation, the Portland Chamber of Commerce urges you use your efforts to defer final congressional action on antipoverty legislation until further hearings have been held on it. While there appears to be a number of worthwhile programs included in the legislation, we believe that too many unrelated and independent problems are dealt with in one package without nearly enough attention being given to coordination with existing agencies and programs. Of great concern to the Portland chamber is the proposal for a new agency at the Federal level, the Office of Economic Opportunity, under a Director who would be vested with broad powers cutting across many fields of social welfare, economic and fiscal activities in this country.

While liaison, coordination and perhaps broadening of existing programs may be desirable, they can be accomplished without creation by Congress of a new agency on the scale contemplated. This can be done administratively by the President. While there are meritorious provisions in the legislation, extensive hearings and study are necessary before the legislation, or integral parts thereof, are enacted.

Additional comments follow in letter.

WILLIAM W. WESSINGER,  
President, Portland Chamber of Commerce.

PORTLAND CHAMBER OF COMMERCE,  
Portland, Oreg., July 20, 1964.

HON. WAYNE MORSE,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR MORSE: While there are meritorious provisions in the Economic Opportunity Act of 1964 (antipoverty bill), the Portland Chamber of Commerce, after extensive study of the legislation, believes that further hearings should be held on it and final congressional action be deferred until such hearings have been completed.

There appears to be a number of worthwhile programs included in the legislation, but we are of the opinion that too many unrelated and independent problems are dealt with in one package without nearly enough attention being given to coordination with existing agencies and programs. We are particularly concerned over the need for creating a new Federal agency, the Office of Economic Opportunity, feeling that a new agency on the scale contemplated is not justified.

A copy of our legislative council's recommendation, approved by our board of directors, is enclosed. It refers specifically to H.R. 11377, but we feel that it also applies to the Senate version of the antipoverty legislation. Your attention is invited to it, since it contains comments concerning specific aspects of the legislation. We ask that you use your efforts to defer final congressional action until further hearings have been held.

Sincerely,

WILLIAM W. WESSINGER,  
President.

To: Board of Directors, Portland Chamber of Commerce.

From: Legislative council.

Re H.R. 11377, Economic Opportunity Act of 1964 (commonly known as antipoverty bill).

#### RECOMMENDATION

That the Portland Chamber of Commerce urge that further hearings be held on this bill and that final congressional action be deferred until such hearings have been completed.

#### BASIC PROVISIONS OF THE BILL

(a) Establishes three separate programs for youth—a job corps, a work training program, and a work-study program—with appropriation of \$412,500,000.

(b) Establishes community action programs to provide stimulation and incentive for communities to mobilize their resources to combat poverty through community action. Also provides for initiation of programs for adult basic education (reading and writing). Authorized is \$350 million to be appropriated for the current fiscal year for these programs.

(c) Special programs to combat poverty in rural areas including authorization of grants of \$1,500 to assist in acquiring or improving family-size farms, and 15-year loans up to \$2,500 for the same purpose. There is also provision for assistance to "corporations" to develop and reconstitute farm property and then sell small units to low-income families. Also included are broad programs for migrant workers. For the current fiscal year, \$50 million is authorized.

(d) Small business program authorizing \$15,000 loans to small businesses, particularly those expected to employ those in long-term unemployment.

(e) For experimental, pilot or demonstration projects to expand the opportunities for work training for those who are unable to support or care for themselves or families, \$150 million is authorized.

(f) Established a new agency—Office of Economic Opportunity—in the executive office of the President. Director of the agency to be in charge of most of these programs with broad powers and authority.

(g) Volunteers in Service to America program would be set up under the new Director. This would be similar to the Peace Corps.

#### ANALYSIS OF THE BILL

##### In general

While there appears to be a number of worthwhile programs included in the bill, the council concluded there are too many unrelated and independent problems and programs dealt with in one package without nearly enough attention being given to coordination with existing agencies and programs. Of great concern to the council is the proposal for a new agency at the Federal level, the Office of Economic Opportunity, under a Director who would be vested with broad powers cutting across many, many fields of social welfare, economic and fiscal activities in this country. While liaison, coordination and perhaps broadening of existing programs may be desirable, they can be accomplished without creation by Congress of a new agency on the scale contemplated.

This can be done administratively by the President.

#### Comments concerning specific programs

1. The proposal for a Job Corps for youth who cannot benefit from regular school attendance appears to have some merit. With the ever-increasing shortage of jobs for youth with no skills and limited potential, this program (similar to CCC of the 1930's) could help fit these youngsters for useful adult life while accomplishing needed tasks in the conservation and development of natural resources. However, there appears to be no need to include this activity under a new agency.

2. Likewise the proposals for work-training programs and work-study programs for youth appear to have merit. The programs are to be accomplished in cooperation with State and local agencies and private non-profit organizations. Again this program, if attempted, should be assigned to an existing agency such as Health, Education, and Welfare or the Department of Commerce rather than the new agency proposed.

3. With respect to the community action program—the concept of community action to develop employment opportunities and improve human performance and productivity on a permanent basis is basically sound and stimulation of this kind of activity by Federal legislation may be desirable. However, the council objects to the wording of the proposal. The wording is too broad and indefinite in nature and vests uncontrolled discretion in the Director of the new agency. Moreover, this program, if attempted, should be done under an existing agency.

4. The adult basic education programs (teaching reading and writing) contemplate activities which can and should be handled on a State and local level rather than a Federal level.

5. Making \$1,500 outright grants to rural farm families (or families who wish to become farmers) in the face of our great farm surpluses seems very questionable. At the most such a program should be limited to loans of not to exceed \$2,500, the loan program being a second feature of this program.

6. The program for family farm development corporations (corporations developing land to be sold in small farm units) appears to be very indefinite as well as a questionable area of activity for the Federal Government.

7. The provision for loans (up to \$15,000) to small businesses may have merit but the proposal should be studied further.

8. The provisions of the bill authorizing the Secretary of Health, Education, and Welfare to organize demonstration and pilot projects designed to help secure employment for unemployed and needy persons may have merit particularly with the provision that they will be administered through existing staff and facilities rather than under the proposed new agency.

9. The provision for a domestic volunteer service corps may be worth trying, with further expansion to be based upon performance.

#### Overall objections

The council has concluded that the bill was hastily drawn. Many of the proposed programs appear to be little different than many already in effect. The social security bulletin for November 1963, lists \$66.5 billion spent for social welfare purposes in 1962 by the Government. Private organizations spent an additional \$33.5 billion. The Government alone is now carrying on 42 individual programs designed to combat and overcome the cost of poverty. A careful assessment of these should be made before new ones are added. Moreover, as stated above, coordination and modification of these programs can be accomplished without creation of a new statutory agency.

#### CONCLUSION

While there are meritorious provisions in the bill, it is clear that extensive hearings



and study are necessary before the bill, or integral parts thereof are enacted.  
Respectively submitted.

WILLIAM J. MOSHOFSKY,  
Chairman, Legislative Council.

### THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS PENSION BENEFIT TRUST FUND

Mr. MORSE. Mr. President, it is my privilege to serve as the public member of the International Brotherhood of Electrical Workers Pension Benefit Fund. The board of trustees of this fund consists of 12 electric contractors serving as employer representatives and 12 union members representing the workers and one public member. Two fine industrial statesmen, Joseph D. Keenan representing labor and Robert L. Higgins representing management, serve as co-chairmen of the board of trustees. For some years past prior to this year Paul M. Geary, now retired, served as management cochairman. This workers benefit pension trust fund will always be indebted to Paul Geary for his dedicated service to the workers and employers in this industry in developing this workers benefit pension trust fund into one of the best in the Nation.

In part this pension program is more than 40 years old and completely sound actuarially. It is recognized as a model program that has been relied upon by many employers and union groups over the years in the development of their own pension plans.

I ask unanimous consent that the statement, I made to the annual meeting of the board of trustees of this fund on May 19, 1964, along with the report of the board be printed in the RECORD. This report, I am sure, will prove to be of interest and help to our Committee on Labor and Public Welfare as well as to all other Senators when we come to consider from time to time legislation in the field of employer labor welfare funds.

There being no objection, the statement and report were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WAYNE MORSE, PUBLIC MEMBER, BOARD OF TRUSTEES, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS PENSION BENEFIT TRUST FUND, AT ANNUAL MEETING OF THE BOARD, ST. FRANCIS HOTEL, SAN FRANCISCO, CALIF., MAY 19, 1964

Mr. Chairman, members of the board, at the outset of my remarks, I wish to congratulate and welcome to his position of responsibility on the board, our able, new co-chairman on the contractors' side, Robert L. Higgins. I know that he, along with his equally able colleague on the brotherhood side, Joseph D. Keenan, will continue to assure our board of trustees of the dedicated service which has made the record of this pension benefit trust fund an outstanding pioneer model of all pension benefit funds.

I also wish to express my thanks and appreciation to Paul M. Geary, our retiring co-chairman on the contractors' side, for the splendid leadership which he gave to this board during his service as cochairman. His traits of impartial, judicial temperament coupled with his courage and determination to always follow where the facts lead in respect to the various problems which arose from time to time in connection with the work of this board of trustees will stand to his everlasting credit in the records of this board.

The 1964 Report on the IBEW Pension Benefit Trust Fund, written by Paul Geary and Joseph Keenan as trustees and cochairmen of the board, has just been read to the board, and it constitutes another milestone report in the history of the pension benefit trust fund. I wish to congratulate both Mr. Keenan and Mr. Geary for the report which has just been unanimously adopted by the board.

We have also just listened to and unanimously approved of the report of our Executive Secretary-Treasurer Wilfred D. Howell. Although I know each member of the board of trustees fully appreciates the loyal and efficient service that Bill Howell performs for our board as executive secretary-treasurer; nevertheless, I also know that I will not be guilty of gilding the lily, so to speak, when I express to him, in my position as public member of this board, the sincere thanks and deep appreciation of each member of the board for the fine work that he performs for us. I am sure that each one of you shares my high regard for him and marvel, along with me, over the way he handles all the minute details connected with the work of his office, including his excellent performance in making all the arrangements for our annual meetings.

This year's annual report of the trust fund, written by Joseph Keenan and Paul Geary, sustains again the evaluation which I have expressed many times concerning the IBEW Pension Benefit Trust Fund.

When the trust fund was established more than 40 years ago, the industry not only pioneered the humanitarian purpose of the pension fund, but it set an example that caused many other employer-union groups over the intervening years to follow the model example set by this fund. There is no doubt in my mind that the understanding reached by the electrical contractors and the International Brotherhood of Electrical Workers more than 40 years ago when they first created this trust fund has done much more for the industry than just establish a pension fund for retired workers. It also helped establish a feeling of mutual respect, understanding and desire for a cooperative relationship between the contractors and workers which has resulted in this industry enjoying one of the best records of labor relationships of any industry in the Nation.

Thus, once again, the annual report to which we just listened refers to the remarkable record of the Council on Industrial Relations. I do not know of any industry that matches this remarkable record of peaceful settlement of labor disputes. Permit me to repeat again in part what the report says of the work of the Council on Industrial Relations.

"First we speak of our 44-year-old organ for settling disputes in the electrical construction industry, our Council on Industrial Relations, often referred to as the 'Supreme Court of the Electrical Industry.'

"As this report was being sent to the printer, the CIR was holding its quarterly meeting in Washington, D.C., and 42 cases were scheduled for review.

"For the benefit of those who may be reading a report on NECA and the IBEW for the first time, the council is made up of 12 members, 6 from the contractors and 6 from the union. The council handles those cases in which the normal collective bargaining processes between local contractor and local union have bogged down and become deadlocked. This is the electrical industry's answer to strikes and lockouts. The council decisions must be unanimous. Only once in its 44-year history has it ever had a decision violated. That one time occurred in the celebrated case of local union 28, Baltimore, Md. That local union had a council on industrial relations clause in its agreement. It violated the decision of the council and went

on strike against the Baltimore contractors and continued to strike even when ordered back to work by the international union. After public hearings and repeated warnings to members of Local Union 28, IBEW President Gordon M. Freeman revoked the charter of local union 28 and set up a new local to service the public of the city of Baltimore.

"This was drastic action but it had to be taken to preserve the integrity of the international union, and to insure to employers and public alike that commitments entered into in good faith would be lived up to. Court action ensued which finally brought the case to the Supreme Court of the United States, where the action of President Freeman and the IBEW was upheld.

"One of the learned judges of the court of appeals in rendering his opinion had this to say in reference to the council: 'It has aided in creating a relatively strikeless climate within the electrical construction industry, and it is undisputed that by and large it has served the parties well over the years.'

"In connection with the Council on Industrial Relations your trustees would like to make mention of a milestone and a passing which took place since our last report was written. On November 22, 1963, the council heard and decided the 1,000th local dispute case submitted to it since its inception. At that time the council cochairmen wrote a letter to Mr. L. K. Comstock of NECA, who together with Charles Ford of the IBEW, founded the CIR back in 1920, praising his foresight and judgment in working to bring the council into being 44 years ago."

There is no doubt in my mind that the procedures and administrative policies of the pension benefit trust fund established by this industry more than 40 years ago have contributed greatly to the remarkable record of industrial stability in the industry. These procedures and policies have made it necessary for contractors and representatives of the brotherhood to work out together over the years in a negotiating atmosphere of mutual respect and cooperative spirit the various administrative policy problems which have arisen from time to time. Whenever men work together in such a cooperative spirit in connection with a cause as humanitarian in its purposes as a pension fund, they are bound to find it much easier to settle through conferences and negotiations other problems that may arise within the industry, including labor relations problems.

Then, too, I wonder if members of this board and all those whom we represent in the industry fully appreciate the intangible influence upon maintaining a remarkable stability in the industry that is contributed by the fact that many of the electrical contractors, themselves, came to their positions of contractors from the ranks of the electrical workers. During my brief service as a public member of this board, I have been pleased to note that contractor members have frequently relied upon their previous experiences as members of the brotherhood when called upon to evaluate the effects of any proposed modifications in the regulations or policies governing the pension fund. In fact, I have been pleased to observe that both sides of the table, so to speak, seem to be equally desirous to see to it that any suggested change in policy shall be equally fair to both the contractors and to the workers. Here is an industry which has clearly developed the habit of solving its problems through true collective bargaining based upon the principle that unless a policy or an adjustment of a policy is fair to both contractors and brotherhood members, it cannot be in the best interest of either side.

As I said to Wilfred Howell last night, this splendid record of sound, cooperative collec-



over North Vietnam and that the raids were continuing.

"We keep very low and they can't hit us," he said.

A U.S. official, who declined to be identified, that he understood Commodore Ky's flight was made 3 years ago, which by now was "ancient history."

"I don't think you should make too much of Ky's remarks," the official said, "and they shouldn't be taken out of context. It sounds as if we're on the verge of war, when in reality, we're not. I hope this thing doesn't get out of hand."

There had been earlier reports from Washington, however, that U.S. Special Forces were training South Vietnamese raiders for action in North Vietnam. These reports came from informed sources who said U.S. soldiers were not being included in the raiding groups because they would be too conspicuous in a party of Asians and because participation by Americans would be hostile action against another country.

The Hanoi radio has repeatedly broadcast announcements of trials of "spy commandos" captured in North Vietnam.

There have been unconfirmed reports during the last week of stepped-up sabotage activity by South Vietnamese agents, using mines and bombs, around the North Vietnamese cities of Hanoi, Vinh, Thanh Hoa, and Haiphong.

Commodore Ky told his news conference that he believed Communist China would probably move into the fight if North Vietnam were bombed. He said that South Vietnam should proceed nonetheless to combat Hanoi's work in support of the Vietcong guerrillas.

The commodore's disclosure came as U.S. advisers expressed growing concern about successful Communist ambushes in South Vietnam.

A high American officer forecast bitterly that the ambushes would continue until Vietnamese troops learned to post security patrols each time they move.

"We're begging, we're pleading, we're reminding them," the officer said. "We're cajoling, we cry, we stamp out in fury, we do everything, we bring them ice cream. But we haven't succeeded."

Communist military activity has reached its highest level since the Vietcong staged an offensive last November.

The latest in a series of Vietcong ambush victories was a battle yesterday in Chuong Thien Province, near the southern tip of Vietnam.

Disciplined, black-garbed Communist soldiers killed at least 26 Government troops wounded more than 100, and are presumed to have captured 135 missing men.

Mr. MORSE. Mr. President, I should like to make a brief comment. Let us face the fact that the United States is now at war in North Vietnam as well as South Vietnam if these stories are true—and I understand that they are true. We are at war by way of subterfuge. If those stories are true we are now—and there is no question about it—an out-and-out aggressor against another power in southeast Asia; namely, North Vietnam. That makes us clearly in violation of our treaty obligations under the United Nations Charter.

I hope that our country will change its course of action immediately and not let a group of little military tyrants operating in a military dictatorship in South Vietnam jeopardize the lives of millions of Americans which will be jeopardized if we do not stop them from leading us into a full-scale war in Asia. The military dictator of South Vietnam, General

Khanh and his military cohorts are nothing but stooges of the United States. We must assume responsibility for their acts of aggression in North Vietnam. We supply them with their planes, military weapons, training, and we send American drafted boys into South Vietnam to die. Our undeclared war in South Vietnam is a shameful bloody blot on the pages of U.S. history.

#### TRIBUTE TO SENATOR ERVIN AS CONSTITUTIONAL WATCHDOG

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very fine and well-merited tribute to our finest constitutional lawyer, Hon. SAM ERVIN, of North Carolina.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

#### SAM ERVIN: CONSTITUTIONAL WATCHDOG—ATTENTIVE TO RIGHTS OF THE UNFORTUNATE

(By Luther J. Carter, Virginian-Pilot Washington writer)

WASHINGTON.—A Senator may be better known for his occasional flamboyant public acts than for steady, inconspicuous service of more abiding value. Such may well be the case with Senator SAM J. ERVIN, Jr., the former North Carolina Supreme Court Justice who conducted a little filibuster of his own last year in grilling Bobby Kennedy on the civil rights bill.

Senator ERVIN is chairman of the hard-working Judiciary Subcommittee on Constitutional Rights, which exercises a continuing oversight of the rights of every citizen. The subcommittee has been particularly attentive to the rights of those who may be in a poor way to protect themselves. The rights of the enlisted man in military service, the American Indian, the mentally ill, and the down and out who find themselves denied bail without just cause are all the subject of new legislative safeguards, either already enacted or currently being proposed.

No one who attended the subcommittee hearings of 1962 on the constitutional rights of servicemen could fail to have been impressed by the thoroughness and quality of the staff work that preceded and followed them.

It was a valuable inquiry which showed such shortcomings in military justice as a too frequent resort to administrative discharges without court-martial, excessive use of summary proceedings in which the accused had scant protection, lack of adequate trial records, and frequently the absence of competent defense counsel.

Some corrective steps already have been taken by Congress and the military, and more are on the way. Eighteen bills to safeguard the rights of military personnel are even now under consideration in the subcommittee. The diligent pursuit of a legislative inquiry well into the third year after starting it is commendable in itself; for a congressional committee to drop an investigation after fully exploiting its publicity value is not the norm, but each deviation from that practice is worthy of a cheer.

#### BOBBY BAKER'S PENSION

Part of the credit for the subcommittee's performance goes to William A. Creech, its able and articulate counsel and staff director who practiced law in Smithfield, N.C., until Senator ERVIN hired him. But ERVIN, as chairman and overseer, deserves much praise for giving the staff its sense of direction and steadiness of purpose.

The Senator's interest in the Constitution and the safeguards it affords is deep and genuine; evidence of this was seen recently in a little, largely unreported episode involving the notorious, unloved Bobby Baker. Thursday a week ago, ERVIN walked on to the Senate floor just as Senator JOHN J. WILLIAMS, of Delaware, was offering an amendment to the Federal pay bill.

WILLIAMS, beneath whose mild exterior are joined the instincts of a bulldog and a ferret, proposed to deny pension rights to any employee of the Government who withholds from a congressional committee documents or testimony relating to his official duties. The effect of the proposal, which was to apply retroactively to September 26, 1961, would have fallen squarely upon Bobby Baker, who invoked the fifth amendment rather than tell of his exciting and profitable extracurricular activities as Secretary to the Senate majority.

#### LAPSED INTO SILENCE

ERVIN did not speak up for Baker, whose friends in the Senate have either lapsed into silence or crept under rocks as crayfish will do in a creekbed, but he said more than a word for the sanctity of the Constitution, which has been called the greatest instrument ever struck off by the hand and purpose of man.

"The amendment is a flagrant, brazen violation of the Constitution, as interpreted by the Supreme Court," said ERVIN. He said that besides penalizing a man for exercising his rights under the fifth amendment, the Williams proposal would apply retroactively, and hence violate the Constitution's prohibition of ex post facto laws.

Several Senators rallied to WILLIAMS, while two voiced objections similar to ERVIN's. Senator JOSEPH S. CLARK, of Pennsylvania, a liberal Democrat who quite often parts company with ERVIN on Senate rollcalls, said the Williams amendment was "fundamentally un-American."

This was the point of view that carried the day, the amendment being rejected 52 to 38. It was a brief episode in a busy Senate day and attracted little notice. But it served to suggest that ERVIN is watchful for those passing moods and humors in which Congress might chip away at a citizen's rights.

#### TENNESSEE PREPARATORY SCHOOL GRADUATE SAYS THANKS TO TAXPAYERS

Mr. WALTERS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from a young man in my State, which was published in the Nashville Banner of June 30, 1964.

I believe that this is one more outstanding example of the character of today's young people, our future leaders. It is particularly reassuring in view of the present widespread emphasis on juvenile delinquency.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### TENNESSEE PREPARATORY SCHOOL GRADUATE SAYS THANKS TO TAXPAYERS

To the EDITOR OF THE BANNER:

This is an open letter to the taxpayers of Tennessee.

I would like to take this opportunity to express my deepest appreciation to all the people for the parts they have played in my life.

I am a product of the Tennessee Preparatory School. Having entered the school at the age of 10 and leaving at the age of 18, I have spent almost half my life under the watchful care, being fed, clothed, educated,



and disciplined by the resources you have provided.

I am fortunate to have never known nakedness, hunger, homelessness, lack of discipline, or the promise of an insecure tomorrow. I was taught respect for people. I was taught appreciation of a fine, comfortable home, was proud to have a part in its care.

After leaving high school, you are enabling me to further my studies through your college funds. I shall attend Tennessee Preparatory Institute here in Tennessee, majoring in industrial technology, using the allotment furnished from your college fund. I am indebted to you for this opportunity that gave me both the desire and the drive to further my education. My regret is the realization that many of you were never afforded this opportunity and yet gave unselfishly to my support.

I am particularly grateful to Mr. John K. Edgington, who, more than any one individual, has influenced me as a teacher, counselor, and steadfast friend. I am grateful to all the faculty for their personal interest in one among many, for their patience, understanding discipline and fine example. I believe they are some of the finest and most capable people I know.

The bulk of my gratitude is to all of you for you are responsible for the development, aims, and success of my future. You have made me, both directly and indirectly, what I am. I am proud to have been a student at the Tennessee Preparatory School, which has really been a home, and I am indebted to you.

PHILIP W. SCOFIELD,  
Graduate of 1964 Class.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. SMATHERS. Mr. President, first, I ask for the yeas and nays on the substitute.

The yeas and nays were ordered.

Mr. SMATHERS. Mr. President, I do not believe that any further explanation of the substitute is needed. I am prepared to yield back the remainder of my time after making one short statement.

My substitute grew out of an amendment that was first prepared by the able and distinguished senior Senator from Georgia. After talking with him, the Senator from Minnesota, and the prospective director of the new service—

Mr. GRUENING. Mr. President, may we have order? We cannot hear the speaker.

The PRESIDING OFFICER. The Senator will suspend. The Senate will be in order. The Senator may proceed.

Mr. SMATHERS. In consideration of what each of the parties was trying to do—those interested in the protection of States rights, in the one instance, and those interested in the the endeavor not to interfere with the existing contractual programs which are now going on between some agencies of the government in higher educational institutions—and in consideration of the fact that we did not want absolutely to tie the hands of the director in dealing with certain public agencies, and with the presumption that public agencies, such as the State welfare director, the State conservation commissioner, the State athletic director,

whoever he may be, or the county officials are actually creatures of the Government, I believe what we should do is to confine this particular provision to private nonprofit organizations that might be in the business of making contracts with the Federal Government. This is the area that we felt needed to be covered, and we therefore covered it, not only with respect to title II, as was attempted to be done by the amendment offered by the Senator from Vermont [Mr. PROUTY], but we also extended it to title I, where it was also needed.

In some respects, I believe the amendment goes further with respect to protecting States rights than did the Prouty amendment.

Mr. RUSSELL. Mr. President, will the Senator yield me 1 minute?

Mr. SMATHERS. I yield such time to the Senator from Georgia as he may need.

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the RECORD amendment No. 1127, being the original amendment I proposed upon this subject.

There being no objection, the amendment (No. 1127) was ordered to be printed in the RECORD, as follows:

On page 105, between lines 10 and 11, insert a new section as follows:

#### "REQUIREMENT FOR STATE APPROVAL OF ASSISTANCE TO NONGOVERNMENTAL AGENCIES

"SEC. 608. In carrying out the provisions of this Act no contract or other agreement shall be made with, or grant, loan, or other assistance provided to, any private nonprofit or other private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission."

On page 105, line 12, strike out "SEC. 608" and insert in lieu thereof "SEC. 609".

On page 105, line 18, strike out "SEC. 609" and insert in lieu thereof "SEC. 610".

Mr. JAVITS. Mr. President, will the Senator yield me some time in opposition?

Mr. HUMPHREY. I yield the Senator some time on the bill.

Mr. JAVITS. Mr. President, if I may have 2 or 3 minutes, the deficiency in the particular proposal which is before us lies in the fact that it excludes public agencies, and relates only to private, nonprofit agencies. I have heard the explanation of the Senator from Georgia, who is a very able lawyer, and who is entirely correct in his statement. But this still leaves the question to be decided by the Senate. It is true that a State, by enacting certain legislation, can inhibit every one of its subdivisions dealing with the poverty program, unless the Government will allow it. That is pretty demeaning. It has to be affirmatively done. Congress is "writing the ticket." I believe we could make the operation more dignified by providing the Governor authority with respect to both public and private agencies.

I agree with the Senator from Georgia that it can be done, but it represents an assertion of authority which, in some

States, might be regarded as offensive to local communities and much more difficult than if Congress wrote the rules of the game into this legislation. It seems to me that the right thing to do is to give the Senate a clear shot at its objective in order to get the job done; and the way to do it is to amend the provision which is now before the Senate.

I have consulted with the Parliamentarian, and have learned that it cannot be done in this manner. In order to arrive at this solution, it would be necessary for the Senate to reject this amendment, and have another proposal before it with the words "public agency" in it as well as the words relating to private agencies.

As I sense the sentiment of the Senate. My whole intent and design has never been to make my views necessarily those of the Senate, but to do something which would be, in my judgment, necessary to proper governmental organization.

Therefore, if the Senate will reject the pending amendment, I hope the authors will, or I will, submit the substitute again with the words "or public agency" in it. Because that seems to be the clear purpose and intent of the Senate, as well as of the Senator from Georgia, I hope the movers will withdraw the amendment, and adopt what appears to be the sense of Members of the Senate. But if that is not done, the only recourse for the Senate would be to reject this substitute, and then endeavor to adopt a substitute which seems to represent the sense of the majority of the Members of the Senate. I believe it should include the words "or public agency." Then we shall have adopted what the Senate indicates is the desire of the Senate in regard to this particular matter.

Mr. MILLER. Mr. President, will the Senator yield for a brief question?

Mr. JAVITS. I yield.

Mr. MILLER. I ask the Senator from New York whether or not he has asked the Senator from Florida if he will agree to modify the amendment in the manner in which the Senator from New York has described. I have not heard that discussion.

Mr. JAVITS. I have. The Senator from Georgia explained in great detail that he felt that if a State wished to impose that inhibition against local subdivisions, it could do so by legislation. I argued that those efforts would be difficult ones to impose upon a State, and that it would be more dignified to provide that both private and public institutions should be included. Apparently the authors are unwilling to accept that.

Mr. SALTONSTALL. Mr. President, will the Senator yield 2 minutes to me?

Mr. TOWER. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I may say to the Senator from Florida, and the Senator from Georgia, and Senators from other States that permit Governors to have control over officials like the commissioner of public welfare, that in my State he does not have any such control. The Public Welfare Commissioner of Massachusetts is elected for a term of so many years. Therefore, the Commissioner would not have to pay any attention to



the Governor, except by reason of a public hearing, or there could be a proceeding to oust him.

If the Senator would be willing to have the amendment include public agencies, it would be of great assistance to those of us who are particularly interested in this provision. It would be very helpful if it could apply to public as well as private agencies.

Mr. SMATHERS. Let me say to the Senator from Massachusetts that, as I remember reading the substitute of the Senator from New York, it did not provide any veto power or require the approval by the Governor of any State agency participation. His substitute merely provided that the Governor might make comments.

Mr. SALTONSTALL. I disagree with that.

Mr. JAVITS. Mr. President, if the Senator will yield, I beg the Senator's pardon. I know he is not doing it willfully—

Mr. SMATHERS. I think it is a little inconsistent to be arguing that the Senator wants stronger language when his proposal did not give the Governor of a State veto power or the right to require approval. It merely permitted comments. There was much I approved of in the proposal of the Senator from New York when he talked about the need for the Federal Government developing any programs with State agencies.

Mr. JAVITS. If the Senator will yield, my amendment provides that when a State wishes to assert its authority to take over such programs, the Director is obliged to turn them over unless he can show a good reason why it should not be done, because it is not feasible or economic. It is very clear.

Mr. SMATHERS. In answer to the Senator from Massachusetts, I take the same position the Senator from Georgia does. I see that there could be some difficulty with respect to the State of Massachusetts. It may be that later we shall try to add something to it.

I am not the sole author of this particular amendment. About five Senators had something to do with it. The Senator from Georgia, whose basic amendment is a sort of taproot of the whole amendment, has expressed the belief that it was not necessary. He felt—and I cannot help agreeing with him—that the Governor of a State by reason of control of the legislature, which he should have as head of the State, ought to be able to control the agencies of the State government. After that we get into the county or municipal governments. Those are officials who are duly and properly elected, and we felt there was no danger in having the Government enter into contractual relations with them in the poverty areas, because they are elected officials.

Mr. SALTONSTALL. The vote on the Prouty amendment was 46 to 45, a very close vote. There has been a change of votes back and forth two or three times. As I understand, the Senator from Florida and the Senator from Georgia are

trying to get together on an amendment with respect to which there is essential agreement. It would be extremely helpful to Massachusetts, and perhaps to other States—I cannot speak for any other State except my own—to have the words "or public agencies" included in the amendment. We are trying to get together on this amendment, on which we are basically in agreement, and avoid having another 46-to-45 vote. I hope the Senator will be willing to insert my suggested wording into the amendment.

The PRESIDING OFFICER. Does the Senator from Texas yield back the remainder of his time?

Mr. TOWER. I yield back the remainder of my time.

Mr. SMATHERS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS] to the amendment offered by the Senator from New York [Mr. JAVITS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator Virginia [Mr. BYRD], the Senator from Michigan [Mr. HART], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Utah [Mr. MOSS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Indiana [Mr. BAYH] are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON], and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Indiana [Mr. BAYH], the Senator from California [Mr. ENGLE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Michigan [Mr. HART], and the Senator from Virginia [Mr. BYRD] would each vote "yea."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Utah [Mr. MOSS].

If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Utah would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Utah [Mr. BENNETT] is absent on official business at the White House.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 80, nays 7, as follows:

[No. 477 Leg.]

YEAS—80

|              |               |                |
|--------------|---------------|----------------|
| Alken        | Hill          | Nelson         |
| Allott       | Holland       | Neuberger      |
| Bartlett     | Hruska        | Pastore        |
| Beall        | Humphrey      | Pearson        |
| Bible        | Inouye        | Pell           |
| Boggs        | Jackson       | Prouty         |
| Brewster     | Johnston      | Proxmire       |
| Burdick      | Jordan, N.C.  | Randolph       |
| Byrd, W. Va. | Jordan, Idaho | Ribicoff       |
| Cannon       | Keating       | Robertson      |
| Carlson      | Kuchel        | Russell        |
| Church       | Lausche       | Saltonstall    |
| Cooper       | Long, Mo.     | Simpson        |
| Cotton       | Long, La.     | Smathers       |
| Curtis       | Magnuson      | Smith          |
| Dirksen      | Mansfield     | Sparkman       |
| Dodd         | McClellan     | Stennis        |
| Eastland     | McGee         | Symington      |
| Edmondson    | McGovern      | Talmadge       |
| Ellender     | McIntyre      | Thurmond       |
| Ervin        | McNamara      | Tower          |
| Fong         | Mechem        | Walters        |
| Fulbright    | Miller        | Williams, N.J. |
| Gruening     | Monroney      | Williams, Del. |
| Hartke       | Morton        | Young, N. Dak. |
| Hayden       | Mundt         | Young, Ohio    |
| Hickenlooper | Muskie        |                |

NAYS—7

|         |          |       |
|---------|----------|-------|
| Case    | Gore     | Morse |
| Clark   | Javits   |       |
| Douglas | Metcalfe |       |

NOT VOTING—13

|           |           |            |
|-----------|-----------|------------|
| Anderson  | Engle     | Moss       |
| Bayh      | Goldwater | Scott      |
| Bennett   | Hart      | Yarborough |
| Byrd, Va. | Kennedy   |            |
| Dominick  | McCarthy  |            |

So Mr. SMATHERS' amendment to Mr. JAVITS' amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the Javits amendment, as amended, to the committee amendment.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The Senate has labored long and hard, and I think the debate has really made an impression on the Senate. But I still feel that the Senate has not done what it really wishes to do in terms of accomplishing its purpose. Although I realize that this is now the conclusion to which the Senate has come, I shall redraft my own amendment and submit it separately to an appropriate part of the bill, to give the Senate an opportunity to vote on the complete plan, applying both to public and private agencies, which it has not yet done, and then let the Senate work its will.

In order to economize upon the time of the Senate, rather than to have two yea-and-nay votes on the same proposal, I ask unanimous consent that the order for the yeas and nays upon my amendment, now represented by the Smathers amendment in the nature of a substitute, may be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. McNAMARA. I yield back the remainder of my time on the Javits amendment.

The PRESIDING OFFICER. All time on the Javits amendment has been yielded back. The question is on agreeing to the amendment of the Senator from New York, as amended, to the committee amendment.



The amendment, as amended, to the committee amendment, was agreed to.

Mr. PEARSON. Mr. President, in view of the action taken on the so-called Javits amendment, I withdraw my amendment No. 1123 and ask unanimous consent that a statement I have prepared in relation to title II, part A, may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PEARSON

I feel that there is a very grave administrative problem in many parts of this bill. This problem is most acutely reflected in the provisions of part A of title II—entitled, "The General Community Action Programs."

Under present provisions of this part, the Federal Director is authorized to enter directly into agreement with public or private nonprofit organizations for the purpose of conducting economic opportunity programs. The Director alone decides which programs to approve. He is not required to obtain the consent of a State or of a State agency in order to conduct any program he chooses within that State.

Furthermore, the Governors of our 50 States do not have a single significant function with respect to "community action programs." They have no authority to approve or disapprove these programs. They are reserved only the right to "comment."

Mayors, State board members, county commissioners and similar State and local officials may not even comment on—much less influence or coordinate—the activities of the Federal Director within their respective communities.

Circumvention of State authority in this manner raises an additional problem. Numerous State and local agencies have been established—in conjunction with Federal legislation—to administer and coordinate Federal programs intended to meet the requirements of community health and welfare. To offer current examples, I need only refer to recently enacted legislation such as the Higher Education Facilities Act, the Vocational Education Act, or the Community Mental Health Centers Act.

Various other State and local organizations have been created on State or local initiative to deal with the pressing problems of poverty.

These agencies and organizations are the appropriate planning centers for any coordinated attack on poverty. Their programs are attuned to the special needs of the States and local communities within the States. Their personnel is acutely cognizant of the characteristics and causes of poverty in each State and in each affected community.

These agencies and organizations, as a result, are best situated—by force of circumstance and experience—to fight the battle against poverty within the framework of specific local needs.

The successful application of new programs would be jeopardized because they lack the considered opinion of those organizations most familiar with local needs—the State and local health and welfare agencies.

Furthermore, failure to require the approval, assessment, and coordination of federally proposed programs by these State and local agencies represents a grave danger to the effectiveness and continuation of existing State and local programs. Existing programs may be seriously upset by the rush on the part of public and private agencies to secure Federal funds and authority to initiate new community action programs without the approval of or coordination with community planning organizations.

With respect to this aspect of the pending proposal, the U.S. Conference of Mayors commented in part:

"Any Federal legislation that is to involve local citizen action in a war on poverty must clearly place the responsibility for program development and execution with responsible local government \* \* \* if the Federal Government's entry into this foray is to be most effective, its assistance must be channeled to local communities in a manner consistent with local government responsibility and obligation \* \* \* to launch a program of new aids to local private groups without governmental coordination at the local level would be a step backward."

My amendment is designed to correct the structural and administrative flaws in the provisions of part A of title II. This amendment provides for the creation of State economic opportunity agencies which shall propose responsible State plans of community action programs to the Federal Director for his approval.

In this manner, existing State and local health and welfare organizations will be able to exercise influence and coordination over programs conducted at the State and local level.

In this manner, the successful, time-tested Federal-State approach to the domestic problems of this Nation may be utilized.

This amendment is not intended to alter or change—in any manner—the purpose of this part. Rather, it is intended to insure maximum effort and maximum efficiency in conducting our attack on poverty.

Mr. McNAMARA. Mr. President, I yield 10 minutes to the distinguished Senator from Washington.

A NEW WAR AGAINST AN OLD ENEMY

Mr. MAGNUSON. Mr. President—

A nation's wealth lies in the character of its young men, its natural resources, and in a contented working people. This legislation preserves all three.

There is a certain nostalgia as I recall those words from one of my very first speeches in the House of Representatives. The date was May 11, 1937, the occasion was the debate on final passage of an act to renew the Civilian Conservation Corps, one of Roosevelt's most successful New Deal programs.

The CCC accomplished a great deal for our Nation—a great deal in and for the State of Washington. Many of us in the Northwest have enjoyed an outing in our forests, at one of our many roadside parks. For many of us, the best coffee we ever tasted was boiled on one of those old CCC campfire sites. Many thousands of middle-aged men today receive their very first productive employment in the CCC program.

Today, 27 years after that first speech in the Congress, President Johnson has proposed a comprehensive program to wage a war against one of society's age-old enemies—poverty. The war on poverty is a many-sided attack against the very sources of poverty in our Nation. It is an all-out attack against root causes, not just symptoms. It is an attack that will enlist hometown government and business into the frontlines, and not as privates, but as the planners, and generals in full charge of State and local programs.

First, what are these "root causes of poverty"? Simply stated, they are lack of skills: inadequate work experience;

discrimination; lack of opportunity; and often a need for encouragement and a motivational assist.

Thirty years ago we could all recognize poverty by the headlines that existed in almost every city, in every State and section of our Nation. Today, poverty is not as concentrated, nor as visible, but there are 9.3 million families with a median income of \$1,800 per year. In our own State of Washington, over 63,000 families have an income of less than \$2,000 per year.

Today, the causes of poverty is, in most cases, a web of circumstance, not the of skills; inadequate work experience; simple result of a simple condition.

Poverty tends to be self-perpetuating from one generation to another—a chain reaction that we must break. Patterns of poverty are established early in life. Thousands of children in our Nation grow up in homes where education, ambition and hope are as scarce as money. Too many of these children attend our schools with little incentive or guidance from home to get them through. They drop out as soon as the law permits, or sooner. Lack of an adequate education has become a hallmark of today's poverty.

Often these children reach 16 and begin a lifelong drift through a series of low-skill or no-skill jobs. Jobs that grow increasingly harder to find as automation spreads through business and industry. Technological change, such as the shift from the pickaxe to the power scoop, has left many with a useless trade. Some, who cannot find jobs at all, turn to petty crime—or become charges on public welfare rolls, no longer productive to themselves or to society.

Most simply find a niche of minimum usefulness where they may cling for the rest of their lives. They continue the trend, for poverty is self-perpetuating, and their children continue the chain reaction.

To break this chain reaction the poor must be given opportunities to escape, and the war on poverty is designed to provide such opportunities. It is not a program designed to merely support people, to make them dependent upon the generosity of others. This is a program designed to give people a chance.

The war on poverty which I support—which President Johnson proposes does not increase handouts in order to decrease distress. It will not increase dependency and sacrifice self-help, self-reliance, or self-respect. It is not designed just to help the poor, but primarily to help the poor help themselves.

Let us be realistic about this. I do not think that we will ever completely abolish poverty. There are some people who do not possess either the will or desire to lift themselves out of poverty, even when given a better opportunity. There are others who do not have the mental capacity to improve their lot even when the chances are put well within their grasp. But the degree of poverty in our States, in our Nation today, is a social cancer that we must combat. We must not allow this social cancer to continue to grow, and to become malignant.



The degree of poverty in our Nation is not due to a failure of our economic system. It is due to the failure of our society to provide the education, the job training, and retraining, the encouragement and the environment necessary to help the poor to become productive. The war on poverty can be successful because its major aims are directed at the weakest links in the chain reaction of poverty—the youth.

We have an excellent example in the State of Washington of what is encompassed within the war on poverty. Over the last dozen years we have witnessed tremendous success with our Youth Forestry Camps. We have witnessed the lives of hundreds of young men being salvaged from the dark byways of delinquency. We have achieved twin objectives of developing responsible young men who will become productive, prosperous adults—at the same time that they have improved, enriched, and safeguarded our invaluable natural resources.

The Youth Forestry Camps in the State of Washington have an impressive record of tangible accomplishment: they have built over 30 miles of forest access road, constructed 5 bridges; maintained and improved over 100 miles of existing forest access road; practiced reforestation—seeding, planting, and brush elimination—on 1,530 acres; effected forest management work—thinning, pruning, basal spraying—on some 1,500 acres; assisted on 45 miles of property line survey; assisted in the preparation of State timber sales totaling over 13 million board feet; constructed 5 picnic grounds; built camp stoves for public picnic areas; worked in suppressing 103 forest fires—and more.

I look upon this portion of the bill—the National Job Corps—as an example of what can be done nationally as compared with what has been done. For example: the work and study program would assist our colleges and universities to make it possible for qualified students who lack financial resources to remain in school.

A national job corps, as proposed in the war on poverty program, could tackle tremendous projects in our national forests alone. The Chief of the Forest Service has reported to me that within our national forests the following projects need to be undertaken: 25 million acres of timber stand improvement; 4 million acres of tree planting; 1,500,000 acres of wildlife habitat improvement; 3,500,000 acres of range land revegetation; 1,300,000 acres of erosion stabilization; we need to develop 25,000 campgrounds; survey 200,000 miles of land lines; construct 40,000 miles of roads, and 7,000 miles of trails. We can reduce forest fire hazards in 3,500,000 acres.

These are worthwhile jobs, which would increase our national wealth at the same time that our young people are assisted in overcoming educational-vocational deficiencies. This would be a voluntary job corps, a camp-based program of educational and vocational training for young men and women who are poorly adjusted to their homes, or to their home communities, or to work.

Many of these young men cannot be helped best in a program located within their home communities. Many are migrant laborers, actually with no home anywhere. Others are outside the range of communities where adequate resources and concern exist. Others come from impoverished rural areas and remote mountain hollows, or from the city slums which have taught them only hostility to their environment.

These young people must come a long way—the spark of motivation is not likely to be ignited in the same communities which have stifled it so long. I know this can succeed, because I have seen the success in my own State of such a program.

These programs for the young people can be successful because they are aimed directly at those who are caught up in the webs of poverty and, most important, because these programs are self-help programs.

The work-study program, for instance, will assist our colleges and universities to develop part-time jobs which will make it possible for qualified students who lack financial resources to remain in school. This program will halt the costly collegiate dropout who cannot keep pace with the rising costs of college education.

Equally conscious of those young people more suited for vocational-technical training, the work training program is tailored for these students. It must be remembered that for every college-trained person today, our business and industry need at least four highly skilled technicians. We turn out only one now, and the shortage is growing.

Critics of the President's war on poverty sound the same today as the critics of the CCC sounded back in the 1930's. In my very first campaign for election to Congress, presidential candidate Alf Landon labeled the newly enacted social security program a "cruel hoax on the American people." Critics in those days said that the New Deal Democrats were "paying politics with unemployment." We hear those same haunting echoes today.

The critics of today are different people, but the slogans are the same. They are just as hard pressed today to find real sources of criticism as the critics of nearly 30 years ago.

Today, the charge is "playing politics with poverty." Today's critics nit-pick at the fringes of the program, without advancing constructive counterproposals. Some charge "leave it to the local communities." Where do they think the problem exists? Where do they think the problems have existed? and where do they think action has been lacking, or lagging?

Critics today argue that any attack on poverty should be waged only by State and local government, that it is not the business of the Federal Government. But this is a legitimate concern for the Federal Government.

In any democratic society, if it is to survive, it must be concerned on every level of government with the problems of continued high unemployment in the face of continued alltime highs in prosperity.

We must all be concerned with the fact that despite a constantly rising standard of living for most, despite a higher average wage for most, despite a constantly rising gross national product, there are millions of Americans who can afford neither adequate food, adequate shelter, adequate clothing, nor adequate schooling.

At no level of government—Federal, State or local—dare we neglect this problem of widespread poverty in the midst of widespread affluence. We do have a social cancer in our midst that is growing. We have a social cancer that we can curtail and eventually control if we are merely willing to dedicate our effort, time and resources to the job.

The war on poverty is a dedication of all levels of government, in a partnership program that is truly "partnership" in the fullest meaning of the word.

In that 1937 speech to the House of Representatives about the CCC program, I said:

Can we spend money in any better way? Is not the moral well-being of our young people beyond dollar-and-cents value.

I was convinced that the CCC was a sound program, a wise investment, and of tremendous benefit to our Nation. I feel the same is true today in regard to the proposals in the war on poverty program.

To me, the basic question is merely this: Will the President's proposals strike at the heart of poverty? Will they strike at the root causes? Will the results really turn the tide so that we can honestly view this program as an investment and not merely as an expenditure? Is responsibility vested in local and State governments wherever possible?

I am convinced that my questions are answered in the affirmative. I am convinced that the war on poverty programs can work, and it is high time that we got on with the job.

Mr. President, following my speech I ask unanimous consent to have printed in the RECORD a response—and I believe this is very important—to an inquiry from my office from Edward P. Cliff, Chief of the Forest Service, U.S. Department of Agriculture, this year, who informed me that certain work could be done in selected States by Job Corps enrollees. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### JOB CORPS WORK IN NATIONAL FOREST

In response to an inquiry from my office, Edward P. Cliff, Chief of the Forest Service, U.S. Department of Agriculture, informed me on April 23, 1964, that the following work could be done in selected States by Job Corps enrollees:

Timber stand improvement, 25 million acres.

Planting of trees, 4 million acres.

Development of campgrounds, 25,000.

Improvement of wildlife habitat, 1,500,000 acres.

Revegetate rangeland, 3,500,000 acres.

Stabilize erosion, 1,300,000 acres.

Survey land lines, 200,000 miles.

Construct administrative buildings, 5,500.

Construct roads, 40,000 miles.

Construct trails, 7,000 miles.



Reduce fire hazard, 3,500,000 acres.

The contribution to our national wealth that would result from completion of these projects is beyond any calculation—it would exceed the entire cost manyfold. The experience gained, and the skills acquired and developed by the young people involved, would be a valuable addition to our labor

force and readily assimilated into business and industry.

Mr. MAGNUSON. Mr. President, on the following page there is an actual report from the Forest Service with a breakdown of the acres and the work involved in 11 States in the Union which

are particularly involved in this type of program of forestation, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

*Work available to Job Corps—Program on the national forests*

| Kind of work                       | Units | Washington | Oregon  | California | Montana   | Arizona | Idaho   | Minnesota | West Virginia | All national forests |
|------------------------------------|-------|------------|---------|------------|-----------|---------|---------|-----------|---------------|----------------------|
| Timber stand improvement           | Acres | 400,000    | 800,000 | 850,000    | 1,000,000 | 500,000 | 650,000 | 400,000   | 160,000       | 25,000,000           |
| Plant trees                        | do    | 130,000    | 460,000 | 900,000    | 135,000   | 20,000  | 550,000 | 150,000   | 18,000        | 4,000,000            |
| Develop campgrounds                | Each  | 900        | 1,500   | 6,000      | 450       | 1,500   | 1,200   | 350       | 300           | 25,000               |
| Improve wildlife habitat           | Acres | 35,000     | 80,000  | 80,000     | 21,000    | 120,000 | 170,000 | 19,000    | 25,000        | 1,500,000            |
| Revegetate rangeland               | do    | 90,000     | 350,000 | 400,000    | 150,000   | 650,000 | 400,000 | 10,000    | 10,000        | 3,500,000            |
| Stabilize erosion                  | do    | 11,000     | 68,000  | 27,000     | 18,000    | 275,000 | 130,000 | 2,000     | 2,000         | 1,300,000            |
| Survey land lines                  | Miles | 8,000      | 12,000  | 30,000     | 20,000    | 9,000   | 12,000  | 10,000    | 2,500         | 200,000              |
| Construct administrative buildings | Each  | 350        | 700     | 1,000      | 550       | 280     | 550     | 50        | 50            | 5,500                |
| Construct roads                    | Miles | 4,000      | 7,000   | 8,000      | 2,000     | 2,000   | 4,000   | 800       | 300           | 40,000               |
| Construct trails                   | do    | 600        | 730     | 1,000      | 1,000     | 250     | 1,500   | 30        | 30            | 7,000                |
| Reduce fire hazard                 | Acres | 45,000     | 100,000 | 350,000    | 80,000    | 170,000 | 120,000 | 13,000    | 14,000        | 3,500,000            |

| Project                    | Unit | National total | Arizona | Project                            | Unit | National total | Arizona |
|----------------------------|------|----------------|---------|------------------------------------|------|----------------|---------|
| Timber stand improvement   | Acre | 25,000,000     | 500,000 | Survey land lines                  | Mile | 200,000        | 9,000   |
| Planting of trees          | do   | 4,000,000      | 20,000  | Construct administrative buildings | do   | 5,500          | 280     |
| Development of campgrounds | do   | 25,000         | 1,500   | Construct roads                    | Mile | 40,000         | 2,000   |
| Improve wildlife habitat   | Acre | 1,500,000      | 120,000 | Construct trails                   | do   | 7,000          | 250     |
| Revegetate range land      | do   | 3,500,000      | 650,000 | Reduce fire hazards                | Acre | 3,500,000      | 170,000 |
| Stabilize erosion          | do   | 1,300,000      | 275,000 |                                    |      |                |         |

Source: Information furnished to Senator MAGNUSON, Apr. 23, 1964, by Edward P. Cliff, Chief, Forest Service, U.S. Department of Agriculture.

Mr. MAGNUSON. Mr. President, I also have a report from Bert Cole, Director of the Natural Resources Department, on the work completed by the youth forestry camps in the State of Washington. It is a very revealing document. I ask unanimous consent to have the report printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

**REPORT FROM BERT COLE, DIRECTOR OF NATURAL RESOURCES DEPARTMENT, ON WORK COMPLETED BY THE YOUTH FORESTRY CAMPS IN STATE OF WASHINGTON**

The first camp started with a very meager beginning in 1952. Our expanded program started in 1959. These camps, with their forester and foreman, have:

1. Built some 30 miles of forest access road.
2. Constructed five bridges.
3. Maintained and improved some 100 miles of existing forest access road, which includes brushing of the roads, roadside spraying, replacement of culverts, and graveling.
4. Effected some type of reforestation practice, such as seeding, planting, and brush elimination on 1,530 acres.
5. Effected forest management work such as thinning, pruning, and basal spraying on 1,500 acres.
6. Assisted on some 45 miles of property line survey.
7. Assisted in the preparation of State timber sales totaling 13 million board feet.
8. Assisted in the preparation of some 722 acres for Christmas tree lease, and practiced Christmas tree culture, including weeding and pruning of Christmas trees, on some 700 acres.
9. In conjunction with the State's cattle permit ranges, they have constructed 13½ miles of fencing.
10. Built concrete camp stoves for public picnic areas.
11. Built and set concrete section corner markers.
12. Constructed five picnic grounds.
13. Worked at fire hazard reduction.
14. Developed waterholes for forest fire-fighting.
15. Worked in suppressing 103 forest fires in the State.

16. One real big time-consuming job has been the clearing of 93 acres for the expansion of our State forest nursery. The clearing here is a very intense type of clearing so that all the fibrous material will be removed from the ground to allow for uniform drill seeding in the seeding beds.

All of these accomplishments have been made with "committed" boys, mostly in the age class of 15 through 17. While both the work accomplished and the rehabilitation of the boys have been rewarding, even more work could be accomplished with older boys competing for the opportunity to participate in the program.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that a letter which I wrote to Sargent Shriver on April 9 of this year, after my annual visit to these camps, and a letter from the State of Washington, Department of Natural Resources, on the same subject by our very able Commissioner of Public Lands, Bert Cole, be printed in the RECORD. So that there will be no question about the effect this may have in a State like Washington, I also ask unanimous consent to have printed in the RECORD the total 1959 income for families under \$1,000, between \$1,000 and \$2,000, and between \$2,000 and \$3,000.

There being no objection, the letters and table were ordered to be printed in the RECORD, as follows:

APRIL 9, 1964.

MR. ROBERT SARGENT SHRIVER, JR.,  
Director, President's War on Poverty,  
Executive Office of the President,  
Washington, D.C.

DEAR SARGE: Last week I had a rare and rewarding experience.

Rare, because it too seldom happens that we view a governmental program that combines real understanding of a complex problem and that has placed in economical operation a sound approach towards solution.

Rewarding, because this particular program has a proven record of success—multiple success; and doubly rewarding because it involves youth, in particular the young people in my own State of Washington.

I believe that this experience of mine may be of invaluable assistance to you and your

staff, especially, to those involved in presenting the President's program contained in title 1 of the war on poverty and who will have the responsibility of implementing that program. In particular, I refer to the youth camps and guidance centers, and the work-training programs.

When I was home last week, I visited two of the youth forestry camps maintained by our Bureau of Juvenile Rehabilitation in the State of Washington. One of the camps, Capitol Forest, was the pioneer started in 1952; the second, Cedar Creek, was opened in 1959. These two youth camps are typical of the four our State has had in operation now for a number of years and through which hundreds of young men have now been processed.

While these forestry camps have been maintained for delinquent and neglected young men, I am convinced that the experience gained could prove invaluable to your objectives in working with the children and young adults who are the product of poverty.

These forestry camps were a "pioneering" venture in juvenile rehabilitation. The basic concept of treatment, rather than punishment; of a healthy, sound environment, rather than a dreary, penal atmosphere; of honest, constructive work and recreation, rather than physical, mental, moral stagnation—while this concept was not new or revolutionary, the specific application in the handling of young teenage boys was new, and the results are proven fact.

Washington State can now boast the most successful program of juvenile rehabilitation of any State in the Union. Recent statistics on the graduates of this program show that the recidivism rate is about 12 percent. In any other State, in any other juvenile institution they would be proud to have a rate three times as high.

Washington State can truly boast that hundreds of young men, many of them headed for a lifetime of crime and antisocial activities at worst; to a lifetime of cost to society as marginal producers in our economy or as charges upon the public welfare rolls at best—these young men have been brought back into the mainstream of our society. They have been assisted in making a readjustment in their lives so that they have become positively motivated and are now mak-



ing a success of themselves, and a success of their lives.

Washington State can be proud also that in making a substantial expenditure of public funds to promote these rehabilitation programs, it has literally invested money that is now saving the public the expense of more senior institutional care, and that is saving our State the other costs to society of criminal and antisocial behavior.

Washington State can also be proud that as a direct result of this program, which involves our department of natural resources, the valuable forest lands that are our heritage in the Northwest have been immeasurably increased in value. I am attaching a résumé of the work that has been accomplished by these young men during the 12 years of this program. You will be impressed, if not astounded, by the work they have done.

Perhaps this has been too lengthy an introduction Sarge, but I am truly sold on what's being accomplished in the evergreen State. I am extremely interested in the value this experience, and especially the knowledge and expertise of that programs personnel might be in your own current efforts.

Mr. Maurice "Buck" Harmon, chief of the bureau of juvenile rehabilitation, department of institutions, conceived this youth forestry camp program back in the late 1940's. He prevailed upon the State Legislature to authorize the first camp, and has been the inspirational guiding hand that has fashioned the program that exists today. You know something about legislative ways—you can readily appreciate the testimonial of success the Washington State Legislature has placed upon both the program and Mr. Harmon by authorizing additional new camps during the last 12 years.

Frankly Sarge, I believe that it would be most beneficial to you and to your staff if you could view the youth forestry facilities in the State of Washington, and discuss your thoughts and proposals with Buck Harmon. As I said before, his experience might have been primarily with neglected and delinquent young men, but the basic concept is certainly a blood brother to your proposals contained in your congressional presentation of March 17 to the House Education and Labor Committee. I am convinced that you have a strong mutuality of interest with Buck Harmon.

Mr. Harmon can be reached at the Bureau of Juvenile Rehabilitation, Olympia, Wash. If you should need any additional information from me, I would be happy to furnish what I can. I am enclosing several reports and documents on the youth forestry camp program that were furnished at my request.

Allow me also to express my sincere interest in your program and the President's war on poverty. I am following the progress in the House, and I will be more than willing to be of any assistance. Please do not hesitate to call upon me.

With best wishes, I remain,  
Cordially,

WARREN G. MAGNUSON,  
U.S. Senator.

STATE OF WASHINGTON,  
DEPARTMENT OF NATURAL RESOURCES,  
Olympia, Wash., April 7, 1964.

Mr. WARREN FEATHERSTONE REID,  
Staff Counsel, Committee on Commerce,  
Senate Office Building, Washington, D.C.

DEAR MR. REID: I was very disappointed, because of a previous appointment, that I was unable to visit our Capitol Forest/Cedar Creek Youth Camp with Senator MAGNUSON.

With reference to your inquiry relative to certain statistics about the youth camp, some question has arisen in our minds. We here in the Department of Natural Resources

are connected with two different types of forestry camps for boys. One is the camp that we operate in conjunction with the Department of Institutions, such as the one visited by Senator MAGNUSON and Buck Harmon. In these camps the boys are actually wards of the State, most of them having been in some type of difficulty with the law, although a few merely have no other place to go. All of them have been committed to the Department of Institutions by the courts.

Our second type of forestry camp is the type where we employ boys in the age bracket of 17 to 19, primarily for forest fire suppression activities. These crews are also used for improvement of our State-owned forest lands. It is this type of crew (non-institutional) around which we have anticipated that the Federal Government might institute one of the job corps programs. We assume that your request for accomplishment statistics from our institutional youth camp programs is primarily to illustrate what might be accomplished with a job corps program.

In direct answer to your request, we report the following work accomplishments from the cooperative Department of Institutions—Department of Natural Resources forestry youth camps. We have 4 such camps in the State, averaging about 45 boys per camp. However, periodically one of the camps is occupied by younger boys who go to formal school rather than participate in the forestry program.

The first camp started with a very meager beginning in 1952. Our expanded program started in 1959. These camps, with their forester and foreman, have:

1. Built some 30 miles of forest access road.
2. Constructed five bridges.
3. Maintained and improved some 100 miles of existing forest access road, which includes brushing of the roads, roadside spraying, replacement of culverts, and graveling.
4. Effected some type of reforestation practice, such as seeding, planting and brush elimination on 1,530 acres.
5. Effected forest management work such as thinning, pruning, and basal spraying on 1,500 acres.
6. Assisted on some 45 miles of property line survey.
7. Assisted in the preparation of State timber sales totaling 13 million board-feet.
8. Assisted in the preparation of some 722 acres for Christmas tree lease, and practiced Christmas tree culture, including weeding and pruning of Christmas trees, on some 700 acres.

9. In conjunction with the State's cattle permit ranges, they have constructed 13½ miles of fencing.

10. Built concrete camp stoves for public picnic areas.

11. Built and set concrete section corner markers.

12. Constructed five picnic grounds.

13. Worked at fire hazard reduction.

14. Developed waterholes for forest fire fighting.

15. Worked in suppressing 103 forest fires in the State.

16. One real big time-consuming job has been the clearing of 93 acres for the expansion of our State forest nursery. The clearing here is a very intense type of clearing so that all the fibrous material will be removed from the ground to allow for uniform drill seeding in the seedling beds.

All of these accomplishments have been made with "committed" boys, mostly in the age class of 15 through 17. While both the work accomplished and the rehabilitation of the boys have been rewarding, even more work could be accomplished with older boys competing for the opportunity to participate in the programs.

The department of institutions reports that 85 percent of the boys discharged from these camps have had no further trouble with the law. Some of these boys have directly used the skills they have learned in the program on jobs they later acquired in civilian life; but, more importantly, the boys learn good work habits under responsible leadership. In the long run, the establishment of good work habits may be of more material benefit than some of the specific skills they learn.

In order for any work-training program to be successful, we think that the men or boys must be engaged in necessary and profitable work rather than makework projects. It is hard to create much work incentive on a makework project. Secondly, the program needs the necessary modern equipment to allow efficient operation. This is justified where work projects are profitable and useful, and if the program is really going to train the incumbents for outside jobs.

In Washington, with our 3 million acres of State land ownership, the opportunity for worthwhile projects is unlimited. A corps program could provide a means for accomplishing many of these long-range projects, and equally, or more importantly, help the men and boys enrolled in the program.

Sincerely yours,

BERT L. COLE,  
Commissioner of Public Lands.

| Total 1959 income for families | Statewide |         | Spokane County |         | King County |         |
|--------------------------------|-----------|---------|----------------|---------|-------------|---------|
|                                | Number    | Percent | Number         | Percent | Number      | Percent |
| Total families.....            | 724, 685  |         | 70, 136        |         | 238, 300    |         |
| Under \$1,000.....             | 21, 238   | 2.9     | 1, 803         | 2.6     | 5, 311      | 2.2     |
| \$1,000 to \$1,999.....        | 41, 431   | 5.7     | 4, 087         | 5.8     | 8, 899      | 3.7     |
| \$2,000 to \$2,999.....        | 48, 047   | 6.6     | 5, 095         | 7.3     | 10, 487     | 4.4     |
| Total under \$3,000.....       | 110, 715  | 15.2    | 10, 985        | 15.7    | 24, 697     | 10.4    |
| Median income.....             | \$6, 225  |         | \$6, 094       |         | \$7, 084    |         |

<sup>1</sup> 97.89 percent of State median family income.

<sup>2</sup> 113.80 percent of State median family income.

Source: U.S. Department of Commerce, Bureau of the Census, 1960 Population Census, State of Washington. Prepared for WARREN G. MAGNUSON, U.S. Senator.

Mr. MAGNUSON. Mr. President, those figures, statewide, in two of our largest counties, prepared by the Department of Commerce, are somewhat startling, and point up the real necessity for the passage of the type of bill which was enacted in 1937.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. MAGNUSON. Mr. President, will the Senator from Michigan yield me 1 additional minute?



Mr. McNAMARA. I yield 1 additional minute to the Senator from Washington [Mr. MAGNUSON].

The PRESIDING OFFICER. The Senator from Washington is recognized for 1 additional minute.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD on this same subject one of the very first speeches I delivered in the House of Representatives the day before final passage of the 1937 extension of the 1937 CCC program; also an article entitled "Youth Camps Aid Growth of Boys and Trees," published in the Totem of February 1964; also a news article written by Mary McGrory and published in the Washington Evening Star of April 19, 1964, entitled "Cracked Image—Tycoons Join Poverty War"; an article written by Roscoe Drummond entitled "War on Poverty—Headed in the Right Direction"; a news article written by Charles Bartlett and published in the Washington Evening Star for March 19, 1964, entitled "Job Corps Plan To Be Expensive"; an editorial published in the Washington Evening Star of April 27, 1964, entitled "Mighty Oaks"; and an article written by Sylvia Porter and published in the Washington Evening Star for July 20, 1964, entitled "College Dropouts Get Second Chance."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, May 11, 1936]

SPEECH BY SENATOR WARREN G. MAGNUSON, OF WASHINGTON, ON CIVILIAN CONSERVATION CORPS

Mr. MAGNUSON. Much was said relative to the benefits to the youth of the Nation from these camps. Having some knowledge of the inner workings, and fully appreciating the tenor of the newly proposed bill, I believe it goes without argument that this phase of the so-called New Deal has been of inestimable value to the participating youth of the Nation.

The CCC contains three phases of benefits. One, enhancement of the moral and physical well-being of those enrolled; two, the resulting benefits to our natural resources and future national wealth from the operation; and three, the relief given to unemployment.

The first result must be conceded, and this direct benefit in turn has a further result, touched upon only lightly in the discussion. This one advantage alone, if figures could be obtained, might well justify the entire costs of the operation of these camps. All of the enrollees are young men between the ages of 17 and 23 years, not only in needy circumstances but without employment. It has often been said, "They were walking the streets of our cities." Many Members of Congress have at one time served in the capacity of prosecuting attorney and in prosecution work. I am sure one of the things most forcibly brought to their attention and most bemoaned by them was the number of young men around the age of the enrollees in these camps that became involved in crime.

Even as late as 1934 the average age of the inmates in the penitentiaries of the United States was 23 years. The annual crime bill of the United States runs well over a billion dollars. If this figure could be broken down one would find that at least 50 percent of the cost of this intolerable situation involved the youth of our country.

Every one of the enrollees of the CCC camps, being as they are in circumstances that would justify their enrollment, and

coming under the necessary specifications, were potential youthful offenders of the laws of our State and Nation. These young men are now beyond that environment. The cost of taking them away from such environment is of minor consequence when compared to the almost assured possibility that trouble lay ahead for most of them had they continued in such circumstances.

It costs as much per capita to maintain a reformatory as a CCC camp. I have talked to many inmates of reformatories. In almost every instance the boy was unemployed, in needy circumstances, and idle at the time he became entangled with the law. And it was distressing to note in cases that some of these inmates had tried to enter the CCC camps. Not that all CCC enrollees would be inmates of reformatories were it not for the CCC camps, but I strongly urge that they, in their past circumstances, were potential candidates through no fault of their own.

At the time of the establishment of these camps the Department of Justice was urging three additional Federal reformatories. In the past 4 years that need has been obliterated. In my own State of Washington, the Monroe Reformatory was crowded in 1932; 1937 finds the number of inmates greatly lessened despite increase in population.

This same situation must exist in other sections of the Nation, especially in metropolitan centers from whence 45 percent of these enrollees were recruited. I am advised, and this coincides with my conclusions, of the fact that the establishment of these CCC camps, which at one time took care of 2 million needy, is responsible.

Can we spend money in any better way? Is not the moral well-being of our youth beyond dollar-and-cents value? I think so and so do you.

What have we now? Young men with a different outlook on life, young men filled with the character and thought that has made America great and insures its future.

Consider the fact that the demand for CCC enlistment far exceeds the available vacancies. Why would a young man or his family be so eager to take such a position at a meager financial return if there were available private employment that, at its lowest, would pay more than triple the CCC salary?

Lacking job opportunities such a group must perforce to be idle or go to school. Financially, school is out of the question for a great percentage of these young men. A further large percentage, according to the director in charge, and in the opinion of many educators, are unsuited for further formal schooling.

One and eight-tenths percent of the enrollees have been located in my State. Almost all of them are from the streets of large Eastern cities. They have learned to love the Pacific Northwest, with its mountains, forests, streams, islands, bays, and wealth of natural resources. Many of them will remain after their term of enrollment to make new homes in this great, undeveloped section which they, with their own hands, have helped to improve.

We of Washington welcome them. We have no fear of their future devotion to good citizenship.

We pass over the second phase of this great project with a few brief remarks. The natural resources of a country constitute its national wealth. The President of the United States had this in mind in the creation of these camps, and it was one of the chief motives behind the inception of the idea. When the President proposed the CCC camps in his message to Congress on March 21, 1933, he made this succinct statement:

"I propose to create a Civilian Conservation Corps to be used in simple work, not interfering with normal employment, and confining itself to forestry, the prevention of soil erosion, flood control, and similar projects. I call your attention to the fact that this type of work is of definite, practical

value, not only through the prevention of great present financial loss, but also as a means of creating future national wealth."

The accomplishments of the corps relative to our national resources have been great and the value of their work to future generations is untold. Reforestation, soil erosion, roadbuilding, botanical preservation and clearing of wilderness have been their main source of work. Camps doing this work have been established in all sections of the country. During the debate numerous Members of Congress gave testimony to accomplishments in their particular localities and reiterated that the benefits from the operation of these camps far exceeded the cost.

We in the Pacific Northwest probably appreciate this beneficial phase of the project more than any other section of the country. The last remaining stands of virgin timber lie in our districts. For many years these forests have been ravaged by fires. The loss incurred has run into billions of dollars.

It is significant that since the advent of the CCC in the Pacific Northwest, since the establishment of camps and the blazing of trails and underbrush clearing these fires have decreased approximately 986 percent over previous years.

Generally speaking, the Pacific Northwest, and particularly the State of Washington, which contains the largest of the virgin timber stands, has been without a single grave forest fire since 1933. This one thing alone has convinced the people of that section that the expenditure has been the best forest fire insurance we could have purchased, at a premium remarkably low.

Going into intrinsic value, the work of these boys in enhancing the beauty of our section cannot be estimated. Many of the criticisms of this cost came, as usual, from the minority side, the Republican Members of Congress.

Little was said about the returns to our national wealth from these operations in dollars and cents. This may be because the benefits are so great and so far reaching into the future that no dollars and cents value can be placed upon them.

I believe, however, that as time goes on future generations will more than realize that it was a sensible national investment. I quote from Mrs. Roosevelt's column:

"I was interested to find that the CCC camps nearby is one where boys from the lower East Side of New York are learning what the Far West is like. The State of Washington is rich in natural resources."

Much of the criticism, to my mind, in view of some of the results already obtained, was in the nature of being penny wise and pound foolish.

Of more present importance, however, than the two phases briefly discussed is the question of unemployment among the youth of our Nation. Basically, the emergency necessitating the CCC was that of unemployment, and any discussion in the House relative to the continuation of this legislation must squarely face this problem.

Until we solve the problem of unemployment of youth we are responsible for their well-being.

The direct responsibility for this solution lies more with this body than any one other single group of people. We have not solved that problem. We cannot, therefore, with good grace conscientiously criticize legislation, the cost, or the motives, that create a project to take care of these unemployed youths in as fine a way as possible when we ourselves are more or less responsible for their plight.

There are those here today who intimated that we should let these youths shift for themselves. It seems to me that I heard during the course of the afternoon's debate a familiar ring that was once summed up by a former President with the term "rugged individualism."



There were those who said the youth of the country could now obtain employment in private business. We know this is not true. We know that today a young man between 17 and 23 years of age, coming out of school, has a more difficult time finding employment than ever before in the history of our country.

It was somewhat amusing to hear the critics of this bill make such statements, amusing because we know that even some of the same critics have sons between this very age, and they know how difficult it is to get them placed in private employment.

The Secretary of Labor says:

"To an increasing extent the corps has proved its usefulness in breaking the vicious circle which arises from the fact that youths just out of school are unable to obtain jobs without experience, and are unable to get experience without jobs.

"The Civilian Conservation Corps camps are, in many instances providing the first work experience for young men who have been unable to find any remunerative employment since leaving school. Both the age of the new enrollees and their previous employment records bear this out.

"Reports of the Department of Labor show that during the past year well over half of the youth selected for the corps under its direction were either 17 or 18 years old. Three-fourths of them have not reached their 21st birthday.

"Even though, as business conditions improve, the families of these youths may have enough income to support them, the enforced idleness of boys 17 to 21 years of age, who are not interested in further schooling of the traditional type and who are ready and anxious to work, is psychologically undesirable and more far reaching in its social consequences than dependency in old age.

"Furthermore, at no time in the lives of these young men does a social investment in their training, physical development, and character building yield more in the way of future social gains than in the years between school and their eventual absorption in normal employment in their home communities."

Unemployment has not been solved. It is still here. Its problem becomes greater as man progresses in our inventive and machine age.

The Democrats, my party, have not solved it. We are moving, however, in the right path. The Republicans have done nothing.

This is one piece of legislation in the right direction. We are going to continue along this front. American youth is not to be a lost generation.

A nation's wealth lies in the character of its young men, its natural resources, and in a contented working people. This legislation preserves all three.

The only danger I can see in the project is the implication of tendencies of fascism. But when we weigh that possibility against the necessity of taking care of youth in this manner, with its resulting benefits, we must conclude to go ahead thusly until unemployment is solved. We can only trust that the President of these United States will not allow the setup to be so abused or misused to the extent of the complete regimentation of American youth. I am confident that we can justify, from past experience, such faith so placed in him.

These CCC camps strike at the very heart of unemployment among youth, and until we solve that problem they are a necessary part of governmental paternalism to its people, a paternalism that returns to our Nation, in material wealth, many times over the dollars expended and returns to each community former unemployed, needy, and almost helpless young men and women as good, clean strong Americans.

#### YOUTH CAMPS AID GROWTH OF BOYS AND TREES

Washington will have an additional 200 acres of good Christmas tree farmland and 40 useful young citizens if the staff of Mission Creek Youth Forest Camp is successful.

Mission Creek is one of four youth forest camps in the State administered jointly by the department of natural resources and the department of institutions. At the camps, delinquent boys from 14 to 17 years of age learn to work in the outdoors and are professionally counseled in an effort to rehabilitate them.

During the day the youths work for the department of natural resources on projects like tree thinning, roadbuilding, firefighting, and tree planting. The current top work project for the youths at Mission Creek is the rehabilitation of potential Christmas tree farmland on the Kitsap Peninsula.

In the evening the boys work with counselors from the department of institutions in the new, modern Mission Creek camp facilities.

"For most of the boys, this is their first experience at leading a man's life," says Judson Turner, Mission Creek camp superintendent for the department of institutions.

"We usually have to teach the boys how to work and how to work safely. Most of them think they can't do a day's work when they first come," Walter Smith, DNR camp superintendent, explains.

Both agree that the work is good for the youths.

"We find that the satisfaction of doing a man's work out in the woods replaces the satisfaction of delinquent actions," Turner explains, "they find they can swing an ax to be a man."

The boys are committed to the youth forest camps for an indefinite amount of time, but the average stay in the camps is 6½ months. Eighty-five percent of the boys paroled from Mission Creek have completed their 1-year parole period without getting into further trouble.

"Their stay here makes them much better workers and gives them good work habits. They learn to do a day's work and discover they can work and can compete for jobs," Turner says.

Cooperation between the two departments is excellent. The foresters find that work production goes up when the boys are in good shape emotionally, and the counselors find that the boys improve emotionally from the satisfaction of working.

For their work the boys are organized into crews under the supervision of a department of natural resources foreman. The foreman is assisted by subforemen designated from the crew and distinguished by their green or yellow hard hats. A green hat has more responsibility than a yellow hat, but both positions carry prestige with the youths.

Other prestige positions include driving dump trucks and acting as assistant to engineering and mechanical personnel. These positions are earned by the boys and are awarded after consultations between department of natural resources and department of institutions personnel.

The prestige positions also carry an increase in pay for the young inmates. The boys in the forest camps earn from 60 cents to \$1.20 per day, depending upon their jobs.

"It's surprising how much work these boys can accomplish," Smith commented.

Cedar Creek, the first youth forest camp, was established in 1952 in the Black Hills near Olympia. Since that beginning, Cedar Creek has been joined by Capitol Forest Camp in the same area, by Spruce Canyon Camp in Stevens County, and by Mission Creek Camp in Kitsap County.

Work accomplished by the youths from 1952 through the last fiscal year includes 25.7 miles of road, removal of 295 snags,

1,720.1 man-hours of firefighting, 4 bridges, scarification of 35 acres, seeding of 55 acres, thinning of 1,519 acres of forest land plus range fencing, roadside cleanup, and hauling gravel for roads.

Working alongside their young inmate charges, the crew foremen get to know the boys well. In the frequent consultations on the progress of the boys, the department of natural resources foreman may discuss his young charges, using many of the technical terms of his department of institutions colleagues. From the foreman's experiences during his 8 hours with a boy on the work crew and the experience of the counselor in camp, determinations are made on the progress of each boy, progress toward the goal of sending him back home.

Until that going-home day, each young inmate will work on rehabilitating State-owned forest lands probably without realizing he is also working on rehabilitating himself.

[From the Washington Evening Star, Apr. 19, 1964]

#### CRACKED IMAGE: TYCOONS JOIN POVERTY WAR (By Mary McGrory)

The stereotype of the tightfisted public-be-damned tycoon got badly cracked last week when three top business executives testified in favor of the poverty bill.

Republicans on the Education and Labor Subcommittee who heard the trio coming out eloquently and even combatively for Federal expenditures to help the "have-nots" tried in vain to make them see the error of their ways.

But the usual charges of "Federal spending" and "Federal control" that can be counted on to bring reflex negative reactions from the Babbitt set left them unmoved. So did the subliminal accusation that they were traitors to their class.

According to the three—Ralph Besse of the Cleveland Electric Illuminating Co., Charles Virgil Martin, head of the Carson, Pirie, Scott & Co., of Chicago, and Tom Nichols of the Olin Mathieson Corp., of New York—they are not alone.

#### A NEW BREED

A new breed of what one Democrat on the committee called "enlightened businessmen" is growing up in the executive suites of the Nation.

Said Mr. Besse, who crisply told the Republicans several times that only the Federal Government could afford the education program necessary to solve urban poverty, "the poor businessman, he does well everywhere, except in the public mind."

"I'm not typical," he said. He has been involved for years in local fundraising activities and is the chairman of the Cleveland Commission for Higher Education. He is a registered Republican.

"Welfare doesn't remove causes. Education removes causes," he said.

When Republicans pressed him to say that the local and State governments could undertake school projects of the poverty bill, he countered with the story of a program he helped engineer in Cleveland 20 years ago.

A local committee moved into the most poverty stricken area of Cleveland in force. By the most intensive effort, it substantially reduced juvenile delinquency and dropouts.

"But," said Mr. Besse, "it was an exceedingly expensive thing to do on a reclaim basis. We need a revision of the whole school system, and the cost of doing nothing is infinitely greater than the cost of preventing the kind of poor family we are talking about."

#### WELFARE WORKWEEK

Like Mr. Besse, Mr. Martin was a poor farm boy. He came to Chicago during the depression and has been interested in social problems all his life.



For a while he did his job as head of Carson, Pirie, Scott on Saturdays and Sundays and devoted his weekdays to the work of running the Chicago Board of Public Welfare. "A lot of us do this kind of thing instead of playing golf," he said.

Mr. Nichols, whose first job paid him \$6 for a 60-hour workweek, said his endorsement of the poverty program, which will cost almost a billion dollars, represented the views of other businessmen.

He was empowered by the head of the American Cyanamide Corp. and the chairman of the board of Detroit Edison to tell Congress that they agree with him.

Not all likeminded business leaders feel as free to speak out, they said. The chamber of commerce, of which they are all members, has come out against the bill. Some businessmen fearful of aggravating stockholders or fellow members of the country club can give only tacit approval to such schemes for increased Federal spending.

Representative TAFT, Republican of Ohio, tried to tell the witnesses that they were caught up "in a political hassle in an election year." They indicated politely but firmly to him that they had enlisted in the war on poverty.

If there are as many more of them as they said, they could well take some of the steam out of the Republican assault on the program.

#### WAR ON POVERTY: HEADED IN THE RIGHT DIRECTION

(By Roscoe Drummond)

The critics of President Johnson's anti-poverty program are making a great mistake picking at its fringes.

The argument that this must not be the business of the Federal Government is a profitless and outdated argument.

Any democratic society must be concerned at every level of government with the problem of continued high unemployment in the face of continued high prosperity.

Any democratic society must be concerned at every level of government with the fact that, despite a consistently rising standard of living for many Americans, despite a higher average wage for most Americans, despite a mounting gross national product of more than \$600 billion annually, some 35 million persons in this country can afford neither adequate food nor adequate shelter nor adequate clothing nor adequate schooling.

I submit that at no level of government—local, State, and Federal—dare we neglect this pervasive problem of widespread poverty in the midst of widespread affluence.

I think we can't.

Therefore, the central questions to be asked—and answered—are:

Do the proposed actions go to the heart of the problem, to its causes, not merely to its symptoms?

And even if the measures are well-conceived, can poverty be substantially done away with?

It seems to me that the war on poverty program which its chief of staff, Sargent Shriver, has put together for the President and unfolded to Congress reflects realistic, workable, and, indeed, conservative economic principles.

Mr. Shriver is not talking about reducing poverty by spreading the wealth of others.

He is not talking about increasing hand-outs in order to decrease distress.

He is not talking primarily about how to help the poor, but primarily about how to help the poor help themselves.

What are the causes of increased unemployment and continued poverty in the face of increased and long-sustained prosperity? They are, as pointed out by Raymond J. Saulnier, former chairman of the President's Council of Economic Advisers and no pie-in-the-sky economist: "Lack of skills," "inade-

quate education," "unsuitable or inadequate work experience," and "discrimination."

These are the root causes and the Shriver program is aimed concretely at these causes as a practical and necessary way to reduce poverty.

These are the things which most often make people poor and keep them that way—often from generation to generation.

I think this Nation cannot accept continued poverty for 9,300,000 families with a median income of \$1,800 a year. This kind of poverty is not due to the failure of our economic system. It is due to the failure of our society to provide the education, the job training and retraining, the encouragement, and the environment needed to help the poor become productive and the productive become more prosperous.

This is why a panel of practical, experienced business leaders helped to shape and then gave its unanimous endorsement to the program which Mr. Shriver proposed to the White House.

Recently the Gallup Poll reported that 83 percent of the respondents said "No" when asked, "Do you think poverty will ever be done away with in this country?"

I suspect they asked the wrong question. The realistic goal is not abolishing poverty. Some people may not have the will to lift themselves out of poverty even when given a better opportunity. Some may not have the mental capacity to improve themselves even when the chance is put well within their reach.

But it seems to me that the kind of poverty and unemployment we have experienced in the past 15 years ought to be seen as an anachronism not to be accepted.

This war on poverty is headed in the right direction.

[From the Evening Star, Washington, Mar. 19, 1964]

#### JOB CORPS PLAN TO BE EXPENSIVE: EDUCATIONAL BOARDING SCHOOL FOR POOR IS VIEWED AS WORTH COST, IF IT WORKS

(By Charles Bartlett)

The Job Corps is the most experimental, expensive, and controversial item in President Johnson's poverty package. The yearly cost of sending a young man to one of the new educational camps will be approximately double the cost of sending him to Harvard University.

This price comparison is idle, however, because the men for whom the Job Corps is designed could never enter Harvard. They have failed, in fact, to meet the rigors of the primary and secondary public schools. Their talents are inadequate for their times and they are destined, unless a new impetus enters their lives, to struggle for mere survival.

Their profile was drawn last November in a Labor Department study of 2,500 men rejected by the draft because they failed the qualifications test. Most of them were the poor sons of poor urban parents. Three out of four had completed grade school, but four out of five had failed, for financial and other reasons, to finish high school.

Most of these men were between 22 and 24 years old but only 69 percent of them had jobs at the time of the survey. The average pay of the jobholders was \$56 a week and few of the jobs held real promise of advancement. More than one-quarter of the men had worked for less than 6 months of 1962 and 5 percent of them had stopped looking for work at the time of the survey.

The aim of the Job Corps will be the salvage of this "human scrap," as Willard Wirtz, the Secretary of Labor, has described these young men of meager prospects. The proposal does not seem so fresh as to merit the President's claim that it is "comparable in innovation to the land-grant colleges." But it is original to the extent of superimposing

educational intentions upon the work relief of the CCC camps of New Deal days.

The camps are intended, in fact, to be boarding schools for the poor that offer a break with defeating environments, a pursuit of health through physical labor in open air, and an opportunity to secure the skills and motivations necessary to compete in modern life. The advocates of these institutions expect them to produce, in a maximum of 2 years, men whom industry will be anxious to employ.

Invitations to attend these camps will be extended to all of those who are rejected by the draft. Some of the volunteers will be hardened beyond the reach of remedial schooling and they will be sent to camps devoted solely to conservation work.

Apart from the factor of costs, the chief doubts about these institutions are whether they can attract enough volunteers and enough teaching talent to make them worth while.

The November survey of the draft rejectees included an inquiry as to whether they would be willing to accept basic education and job training in a camp away from home. A vast majority responded that they would. Optimism regarding the teaching staff has been raised by a deluge of mail, some 200 letters a day, upon Sargent Shriver. The letters suggest that the imaginations of educators and welfare workers have been attracted by the proposal.

The expense is a disconcerting factor. In the Labor Department's manpower training program, an enrollee receives 30 hours of training a week at a cost to the Government of around \$2,000 a year. Some 4 million persons secure vocational training at an annual cost of less than \$12 million to the Federal Government and approximately \$55 million to the States and local communities.

The justification for the huge expense of boarding 100,000 men is a belief that they can only learn if they are separated from the backgrounds which have ground them down. They are the bottom of the heap and they seem to require a completely fresh opportunity.

If such men can be transformed for \$10,000 each from social burdens to productive forces, the investment can be justified in economic as well as human terms. The force of this reasoning, plus the warm regard with which the CCC experiment is remembered in many quarters, will be likely to induce Congress to accept the Job Corps.

[From the Washington Evening Star, Apr. 27, 1964]

#### MIGHTY OAKS

"I couldn't find a job and was just hanging on the corner. Who knows? If I didn't come here, I might've wound up in jail."

The speaker was a 20-year-old unemployed school dropout from Newark, N.J. The words might provide a sort of battlecry for the developing campaign to salvage young victims of poverty.

The young man in question is one of 14 boys who volunteered in New Jersey's own war on poverty by enrolling in a pilot youth training project at Belleplain State Park in Cape May County. The project is reminiscent of the Civilian Conservation Corps of the 1930's and provides an advance test for some phases of President Johnson's proposed Federal program.

The 14 young men are going to help put the park in shape for the summer. In addition to the out-of-doors work they will receive instruction to prepare them for a course leading to the equivalent of a high school diploma. Each boy will receive \$20 a week plus board and keep and will get 2 weekends off each month to visit home.

The idea grew out of a meeting of minds between New Jersey's labor commissioner and the State's commissioner of conservation.



Said the first, "You have 50,000 green acres and I have 50,000 unemployed young people in the State. Can't we get them together?"

We would all do well to ponder the possibilities suggested by this small beginning in New Jersey. It just might be that a boy who plants a tree and sees it grow would feel the strings of that sense of accomplishment the lack of which must surely lie near the heart of the problem of unemployed and uneducated youth.

[From the Washington Evening Star,  
July 20, 1964]

#### COLLEGE DROPOUTS GET SECOND CHANCE

(By Sylvia Porter)

##### "College dropouts."

"A leading national manufacturer offers you a professional career \* \* \*. This is a fine opportunity for a man who has not been able to complete a college education, to train for a responsible management job with a steady income at the same time. Send written résumé to."

These are typical of ads being run by a medium-size Midwest manufacturer of plumbing specialties—Wade, Inc., of Franklin Park, Ill. Wade began its extraordinary drive to hire college dropouts rather than college graduates because it found it didn't have the drawing power to compete against the industrial giants for college graduates.

It studied other usual methods of recruitment, finally concluded that among college dropouts it could uncover men who would have the potential to become executives and who also would be enthusiastic and grateful for a second chance.

##### PHENOMENAL SUCCESS

The hiring-training program has been a phenomenal success, according to a report on Wade in Business Management, a trade publication. The experiment has significant implications to businessmen in particular and to the economy in general.

Wade does not hire the academic failure. It carefully screens recruits, takes on men who dropped out because of nonscholastic or personal reasons. It gives the dropouts 2 years of intensive training in administration, product manufacture, sales know-how, etc., then places them in responsible positions. It also sends the young men back to school—at company expense.

The cost of training each dropout is estimated at \$1,000 to \$1,200 above the employee's regular salary—and this does not include what the company pays for tuition in college night classes.

"But whatever the cost," says a Wade spokesman, "the value to the company—not to mention the personal lives of the boys involved—can never be measured. As for the risk of training young men who already have one failure chalked up against them, there is none, providing that the dropouts you recruit are carefully screened."

"What's provocative to us," adds Kent McKamy, editor of Business Management, "is that a small company is doing the pioneering here. We know of no other program like this."

As never before, the Nation's attention is focused on the problem of the high school dropout and his steep jobless rate. But we don't even have reliable figures on the college dropout.

The projection is that out of every 10 youngsters now in grade school, 7 will earn their high school diplomas. Of these seven, four will continue their education after high school.

But of these four, only two will complete 4 years of college—a dropout rate of 50 percent.

##### MONEY IS PROBLEM

For many, the reason won't be lack of brains. It'll be lack of money. Or the curriculum won't be enough of a challenge and

the student will become lazy. Or he'll marry and quit to support his family. Or he'll enter the wrong college for him, become discouraged and quit.

Yet, a key discovery which Wade has made is that failure motivates many young men and they bounce back with far more enthusiasm than the young man who has been a success all his life.

There is a real danger that shortages of sufficiently trained workers will retard our progress in coming years.

Wade's college dropout program well might be considered—and adapted—by corporations the Nation over.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment No. 1128, as modified, and ask that it be stated.

The PRESIDING OFFICER: The amendment of the Senator from North Dakota [Mr. YOUNG], as modified, to the committee amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the appropriate place in the committee amendment, it is proposed to insert the following:

##### PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS

SEC. 331. (a) The Secretary of Agriculture is authorized and directed to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The PRESIDING OFFICER. How much time does the Senator from North Dakota yield himself?

Mr. YOUNG of North Dakota. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 5 minutes.

Mr. YOUNG of North Dakota. Mr. President, I do not believe this amendment will take very long. What my amendment would do for the milk producers would be the same as was done 4 or 5 years ago for the cranberry producers, and the poultry producers after their products had been condemned because of the residue resulting from the use of chemicals.

I have modified my amendment by striking out the words, "a rate not less than the support price for milk and dairy products" and inserting in lieu thereof, "a fair market value."

A segment of our agricultural community is in serious trouble. The Nations dairy industry has been caught in a trap of scientific precision and needs immediate relief or else the industry will be destroyed.

A program of indemnification, must be initiated immediately to aid distressed dairy farmers, who have been forced to dump their milk because it contained minute and, heretofore, undetectable residues of pesticides. These chemicals, principally heptachlor and dieldrin, were

found in the milk after they had been used as recommended by the U.S. Department of Agriculture.

On April 30, 1964, the National Milk Producers Federation requested that the Department of Agriculture establish an indemnity-type program under existing legislation. It was contemplated that such an indemnity program could be operated in a similar manner as the cranberry indemnity program in 1960. In spite of this request, as well as a similar request by the House Committee on Appropriations in its report on the Department of Agriculture's budget request, the Department of Agriculture turned the program down. Their refusal was based primarily on a feeling that farmers might not have used the chemicals according to instructions. It is ridiculous in the first place to assume that a farmer, who is like any other ordinary businessman, would use agricultural chemicals in any way other than as directed. These pesticides are quite expensive and, therefore, for the sake of pure economy, it is highly unlikely that pesticides would be used incorrectly.

This argument of misuse lost any spark of validity, that it may have had, when the Department of Agriculture canceled the registrations, for various uses of both heptachlor and dieldrin, the two pesticides that have been the prime cause of dairy farmers having to dump their milk. This meant that one branch of the Department was refusing to reimburse dairy farmers for losses they suffered because their milk contained residues, of recommended pesticides, including heptachlor and dieldrin. On the other hand, another branch of the Department of Agriculture was canceling the registrations of heptachlor and dieldrin, because it was found, that even if the Department's recommendations were followed, an excessive residue level could result.

This amendment seeks to remedy the dilemma in which dairy farmers find themselves. The amendment would direct the Secretary of Agriculture to establish an indemnity payment program, to reimburse dairy farmers, for milk they have been forced to dump, because it contained residues of pesticides, which at the time of their use, were registered and recommended for use by the U.S. Department of Agriculture. Dairy farmers would be reimbursed for losses they sustained at a rate not less than the support price for milk and dairy products. It is important to note that this indemnification program would apply to losses suffered by reason of contamination of a pesticide which was, at the time of its use, registered by the Department of Agriculture. This means that the simple cancellation of registration of a pesticide, by the Department of Agriculture, does not absolve it of further responsibility.

The confusing actions by the Department of Agriculture have trapped American farmers in a futile position. Since the Department of Agriculture registers and recommends a pesticide in the first place, it should be responsible to farmers whose pocketbooks are hit by departmental errors. Sufficient funds should be



provided for to carry out an indemnity program to reimburse dairy farmers for the losses they have suffered because of these departmental errors.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield to my good friend from Minnesota.

Mr. McCARTHY. The Senator urges the Senate to agree to the amendment. In many cases, the damage complained of has not been brought about by the situation complained of. In this particular case, the dairy farmers, who operate on a narrow margin, find themselves in this position because they conformed to the conditions laid down by the Department of Agriculture.

Therefore I commend the Senator on his amendment. I urge its adoption.

Mr. TOWER. Mr. President, will the Senator yield me 1 minute?

Mr. YOUNG of North Dakota. I yield.

Mr. TOWER. I commend the Senator on the amendment. It is my hope that it will be adopted.

Mr. McNAMARA. I yield some time to the Senator from Vermont.

Mr. AIKEN. Mr. President, common justice makes it advisable to approve the amendment offered by the Senator from North Dakota.

The situation is somewhat similar to the one which occurred 5 years ago this fall, when through action by the Federal Government, the cranberry market was virtually destroyed. At that time Congress made an appropriation to reimburse the cranberry growers who had suffered a loss because of Government action.

In this case, the Department of Agriculture approved an insecticide to be used for the control of the alfalfa weevil. Alfalfa is one of the most important crops we have, particularly for milk production.

After the farmers had used the insecticide, another agency of the Government condemned the milk produced from crops where the insecticide approved by the Department of Agriculture had been used.

So far as I know, there has been no evidence that the use of heptachlor has been injurious to any human being. Nevertheless, we do not know. It may develop at some time in the future that it is injurious. On the other hand, it may be completely harmless.

We do know that many poisons are essential to human existence. Phosphorous in some instances is a deadly poison. Yet, if we did not have it in our system, we would collapse. We could not live. We have a trace of strontium 90 in our bodies. Arsenic and other poisonous elements are essential to human life.

There is a great deal we do not know about insecticides. We should be careful. But the Federal Government should not recommend their use and then condemn the products they are used on, and thus cause the people who use them to suffer great financial loss.

There is another reason why we should make good the damage which has been caused by following the recommendations of a governmental department: A steadily increasing amount of dairy

products is being imported into this country. In most cases such dairy products are produced in other countries by corporations which deal with farmers in this country. They are American corporations, but they can produce the products much cheaper in other countries and import the products into the United States. The agencies of our Government have no control over the sanitary conditions under which they are produced. They have no control over the handling of the insecticides and pesticides used in those countries.

It seems very unfair that we should permit, not unlimited, but generous importations of dairy products from other countries which are not subject to the same sanitary conditions that the products that are produced in this country are.

It is only common justice that, one agency of the Federal Government having gotten the farmers into this fix, we should get them out of it, as we did in the case of the cranberry growers 5 years ago.

Mr. YOUNG of North Dakota. Mr. President, I thank the Senator from Vermont. I yield to the Senator from Wisconsin.

Mr. NELSON. Mr. President, I ask that I may be listed as a cosponsor of the amendment offered by the Senator from North Dakota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, has the Senator any idea what cost would be involved if this amendment were to be agreed to?

Mr. YOUNG of North Dakota. I do not believe it would run very high. The farmers will be using different pesticides which will not leave residues. The Department of Agriculture has just recently disapproved of one or two chemicals. I do not think the cost of this program would be very high.

The farmers have to dump the milk. This is even worse than in the case of cranberry growers. Cranberries had a value left. They could be sold. But the milk has to be dumped. It has happened through no fault of the farmer. He was following the instructions of the Department of Agriculture.

Mr. HUMPHREY. Mr. President, in the brucellosis program, an indemnity is paid for the animals under a formula between the State and the Federal Government, so that the animal itself is disposed of, due to the disease of brucellosis.

In this instance, am I correct that as long as the cow continues to produce milk with a toxic residue as a result of eating feed or being in pasture that is adulterated by a type of toxic pesticide, we would continue to pay for the milk?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. AIKEN. I do not believe it has been proved yet that the residue is toxic to human beings. But it has been found in trace quantities in milk. Its effect on human beings, if taken in large enough quantities, is as yet unproved. I do not believe it has been found to be toxic as

yet. It may have been toxic when applied to a flea, or a mouse, or some such animal. I am not sure about that.

Mr. HUMPHREY. What do we do about the situation involving beef cattle, in which the fatty substance has revealed the presence of chemical residue as a result of insecticides or pesticides? Do we buy all the cattle?

Mr. AIKEN. So far as I know, they have not been condemned. Only the milk is involved.

Mr. HUMPHREY. They have not been condemned.

Mr. AIKEN. This problem has arisen. From time to time the Department of Agriculture has disapproved of chemicals found to be injurious. Both of the chemicals used to control the alfalfa weevil have been approved. Once they have been disapproved by another agency the damage has been done.

Mr. HUMPHREY. I told the Senator yesterday in the debate on the amendment of the able Senator from Maryland [Mr. BREWSTER] that I was deeply concerned over the loss that producers had suffered—whether they were cranberry producers or milk producers, or, as in this instance, dairy product producers—as a result of the residue of chemicals that had been registered and approved by the Federal Government.

The question that bothers me about it is, have we any real idea what we are dealing with? There have been no hearings on the subject. Do we know the dimensions of this problem? I have not received any letters from my State on the subject. My State is one of the largest dairy producing States in the Union. There may be problems. I just called my office to find out whether the State of Minnesota had any real problem in this connection.

Mr. AIKEN. The real reason may be that the alfalfa weevil has not been such a disastrous pest in the area of the State of Minnesota. But it is spreading. It is even spreading into my State. The inspectors are stopping milk trucks on the road every day, as I understand. Samples of the milk are taken. The alfalfa weevil is a damaging pest. It is destroying the alfalfa crop. I believe the Washington area has been particularly affected. Actually, it may not have reached Minnesota yet. It will, unless the farmers are permitted to control it.

Mr. HUMPHREY. I am not saying that farmers should be permitted to control it. Indeed they should not be, and they should not be using pesticides which lend themselves to contamination of the product. But I believe that some idea of the cost involved would be worthwhile.

There has been a great deal of talk about the cost of the so-called anti-poverty bill. I am not at all sure that the pending bill is the bill to which the amendment should be applied in the sense that, after all, this is a bill directed toward certain specific conditions. Whether the bill would fulfill its purpose or not is debatable. I think it would help.

Mr. YOUNG of North Dakota. Because of the lateness in the session, it is



impossible to get any other proposed legislation through the Congress. I believe this is our only opportunity. I would be perfectly willing to accept an expiration date of, say, 6 months from now which would enable the Secretary of Agriculture to begin indemnifying farmers immediately, pending further action by Congress next year.

Mr. HUMPHREY. I was about to ask the Senator if he would accept some limitation. I believe the Senator from Vermont has some idea about time limitation. I would hope that if this authority is to be granted, we could have a time limitation so that we could look into the problem with much more precise methods than we are now using.

I should like to think that I know a little something about the State I represent. I am deeply concerned about the dairy industry. I live in one of the largest milk producing counties in the State of Minnesota. I visited dairy farmers there during the past week. I heard many complaints, most of them about prices, but nothing about the residue of chemicals. I grant that we might receive complaints a little later.

Mr. YOUNG of North Dakota. Neither the Senator from Minnesota nor I found ourselves in sympathy with Secretary Benson too often, but he did the same thing without a change in the law. He spent \$8,790,000 in indemnifying the producers of cranberries and \$6,763,000 in indemnifying the poultry producers.

Mr. HUMPHREY. Would the Senator be willing to accept an amendment that the proposal be effective through January 31, so that we would have an opportunity to take a look at the problem next year?

Mr. YOUNG of North Dakota. That would be agreeable.

Mr. HUMPHREY. Will the Senator so modify his amendment?

Mr. YOUNG of North Dakota. I so modify it.

Mr. HUMPHREY. To January 31, 1965.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. AIKEN. The Senator means the production that would be condemned up to January 31.

Mr. HUMPHREY. I mean that the authority under this particular amendment would expire unless renewed.

Mr. AIKEN. That would give us time to find out more about it.

Mr. HUMPHREY. Yes.

Mr. AIKEN. I was one of the sponsors of the first insecticide control bill introduced in the 1950's. Later the Senator from Florida and I sponsored another bill. I for one never intended that insecticides should be used until they had been approved by the Federal Government. However, the food and drug agency of the Government reversed my intention, and the farmers can now go ahead and use any product which is recommended to them by the Department of Agriculture, and the burden of proof is upon them. Of course, they have no way of protecting themselves when one agency of the Government recommends one type of pesticide, and after

they have complied with that recommendation, another agency comes along and condemns the crop or the production.

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield to the Senator from Kansas.

Mr. PEARSON. Part of the problem which the Senator is discussing is the fact that the Pure Food and Drug Administration has a zero tolerance on the residue or the persistency of certain pesticides in foodstuffs, including perhaps milk.

The agency perfected an entirely new process to determine the residue within foodstuffs. Whereas formerly they would seek to measure parts per million, they are now measuring parts per trillion. No one knows whether those parts have a toxic effect or not. The agency knows that they are present. It measures them against a zero tolerance, and it encounters the situation in which food is required to be condemned under the regulations.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield to the distinguished majority leader.

Mr. MANSFIELD. I believe that the amendment being considered has a great deal of merit. I would assume that if it were adopted on that basis, the Committee on Agriculture and Forestry in the meantime could undertake investigations, and be prepared to meet in January and take action.

Mr. YOUNG of North Dakota. That is an excellent suggestion. Meanwhile the conferees could look further into it.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. BEALL. I thank the Senator. Yesterday my colleague [Mr. BREWSTER] and I offered practically the same amendment. The proposal was turned over to the Committee on Agriculture and Forestry. I ask unanimous consent that my name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of North Dakota. I thank the Senator, who is a good friend of the farmers.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. BREWSTER. Yesterday I offered an amendment which was very similar to the pending amendment. That amendment was cosponsored by the senior Senator from Maryland [Mr. BEALL]. We pointed out to the Senate the serious situation that faces many farmers in communities in Maryland, West Virginia, and Virginia. Farmers who formerly sold dairy products in the District of Columbia have been forced literally to dump their milk out on the ground. That result has been caused by the very situation which has been described by the Senator from North Dakota. The farmers have followed the orders of the Department of

Agriculture and sprayed their alfalfa to control alfalfa weevil with heptachlor and dieldrin. Now another branch of the Federal Government comes to them and tells them, "You cannot market the product that you have produced at the very time that you are following the precise instructions of the Department of Agriculture." That seems to me to be obviously unfair. The argument has been advanced in the Senate that the problem is peculiar to Maryland and Virginia, and it has not arisen elsewhere in the United States. All I can say is, "Just wait." The use of heptachlor and dieldrin is being used to control the alfalfa weevil in crops throughout the United States. We do not know how far this problem will go. I do not know whether it will be limited to the dairy industry or whether it will be in the beef industry and all the livestock industries that use for feeding, crops that have been sprayed with heptachlor and dieldrin. Therefore I heartily support the amendment proposed by the Senator from North Dakota.

Mr. President, I ask unanimous consent that my name be included as one of the cosponsors of the amendment; and I urge its adoption.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of North Dakota. I thank the Senator for the excellent case that he has made for the dairy producers.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. MILLER. I thank my friend very much. The milk producers in my State of Iowa are very much interested in doing something about the inequitable situation which the amendment is designed to cover. I invite the attention of Senators to the fact that in 1961, following the passage of the emergency feed grains program, the Federal Government, through the Congress, arranged to indemnify hybrid seed producers who had built up inventories in anticipation of the normal amount of marketing. That normal amount of marketing went down the drain because of the change in the ground rules which Congress brought about as a result of the emergency feed grains program.

I do not believe there is any difference in principle or equity between that situation and the situation being discussed. I hope that the amendment will be adopted. I ask unanimous consent that my name be added to the amendment as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of North Dakota. I thank the Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield to the Senator from Minnesota.

Mr. HUMPHREY. First, I wish to say to both the senior Senator from Maryland [Mr. BEALL] and the junior Senator from Maryland [Mr. BREWSTER] that yesterday I indicated that some hearings were underway in the House on this subject. I wish to correct the Record. I was



so informed, but I found that such was not the case. I do not like the RECORD to stand as showing something that is not true. A bill has been introduced in the other body, and the bill is pending before the committee. It has the intention of undertaking hearings on it. I merely wish to correct the RECORD at that point.

Second, yesterday I encouraged the junior Senator from Maryland [Mr. BREWSTER] to withdraw his amendment because I was confident that the Senate Committee on Agriculture and Forestry, together with the House committee, would look into the subject. He was kind enough to do so. Today I understand that both Senators from Maryland have been given permission to be cosponsors of the amendment.

Mr. YOUNG of North Dakota. I think they should be sponsors of the amendment, by all means.

Mr. HUMPHREY. In order to be able to save the proposed legislation when it goes to conference, and not have it dumped, I ask the Senator whether he would alter his amendment further so that it would read that the Secretary of Agriculture is authorized to make indemnity payments at a fair market value, and so forth.

Mr. MILLER. Mr. President, will the Senator yield for a moment?

Mr. HUMPHREY. Yes.

Mr. MILLER. I wonder if the Senator might modify his suggested amendment to provide for payments not in excess of fair value, leaving it up to the Secretary of Agriculture to determine the equities.

Mr. HUMPHREY. The Senator means not in excess of fair market value?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Senators should have the benefit of the counsel of the ranking minority member of the Committee on Agriculture and Forestry on this question. Does the Senator from Vermont care to comment on it?

Mr. AIKEN. I would not limit the payments, because milk is of one value if it is produced under the sanitary conditions required for manufacturing milk or class II milk. It has another value if it is produced under the multitude of special sanitary requirements that are in effect in most of the milk market order areas. So far I have heard of the product being condemned only in the marketing order areas where the milk is used as fluid milk for table use and immediate human consumption. It may be that the officials have not gotten around to inspecting in the areas where manufacturing milk is produced. So I would leave the question open.

Mr. HUMPHREY. Would the Senator leave the language "at fair market value?"

Mr. AIKEN. I would leave it at fair market value.

Mr. HUMPHREY. Because it differs in different areas.

Mr. AIKEN. And the purposes for which the milk is produced are different.

Mr. MILLER. I defer to the suggestion of my distinguished colleague.

Mr. HUMPHREY. Is the Senator willing to modify his amendment so as to read:

The Secretary of Agriculture is authorized and directed to make indemnity payments, at a fair market value to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets—

And so forth?

Mr. YOUNG of North Dakota. Very reluctantly, but with the understanding that my friend the Senator from Minnesota will go with me to the Secretary of Agriculture and use his influence to put the program into effect.

Mr. HUMPHREY. The Senator from North Dakota is one of the most influential men in the field of agriculture. With the Senator from Vermont [Mr. AIKEN] and the Senator from Louisiana [Mr. ELLENDER] they form a "troika"—to remind us of an old phrase—that is exceedingly effective. I will join as a poor, helpful soul to do what I can to aid the Senator from North Dakota.

Is January 31, 1965, the expiration date?

Mr. YOUNG of North Dakota. That is correct, and I want to say I always am happy to be associated with the Senator on this agricultural question.

Mr. HUMPHREY. So it will be to authorize the Secretary?

Mr. YOUNG of North Dakota. That is correct.

Mr. HUMPHREY. I commend the Senator, and join him.

Mr. BEALL. Mr. President, if the Senator will yield, did the Senator say January 1?

Mr. HUMPHREY. January 31, 1965.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield to the Senator from Kansas.

Mr. CARLSON. I wish to associate myself with the remarks made by the Senator from North Dakota in regard to the indemnification for some of the damage the dairy producers have suffered from enforced orders with respect to the use of pesticides. I sincerely hope the amendment will be adopted.

The PRESIDING OFFICER. Does the Senator from North Dakota further modify his amendment?

Mr. YOUNG of North Dakota. I modify it as requested by the Senator from Minnesota.

Mr. President, I ask unanimous consent that the junior Senator from Pennsylvania [Mr. SCOTT] also may be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment as modified, offered by the Senator from North Dakota to the committee amendment.

Do Senators yield back their time?

Mr. YOUNG of North Dakota. I yield back my time.

Mr. HUMPHREY. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. YOUNG] as modified, to the committee amendment.

The amendment, as modified, to the committee amendment was agreed to, as follows:

PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS

SEC. 331. (a) The Secretary of Agriculture is authorized and directed to make indemnity payments, at a fair market value to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1965.

Mr. ERVIN. Mr. President, I send to the desk an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment offered by the Senator from North Carolina will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 69, line 9, before the period, to insert a semicolon and the following: "nor may any grant be made under this part to any school or school system which is controlled by or affiliated with any church or related institution."

Mr. ERVIN. Mr. President, I yield myself such portion of the 30 minutes available to me on this amendment as I may require. I assure Senators, however, that I shall speak very briefly.

Mr. President, I offer an amendment to S. 2642 which would assure the observance of the principles of the first amendment in the administration of the antipoverty program. Section 205 of the bill authorizes financial assistance for the conduct and administration of community action programs. It provides that no grant or contract under this section may provide for general aid to elementary or secondary education in any school or school system. My amendment adds the further restriction that no grant shall be made under this part "to any school or school system which is controlled by or affiliated with any church or related institution."

Since the time of Thomas Jefferson and James Madison it has been a cardinal principle of our form of government that neither State nor Federal Governments can pass laws aiding any religion or preferring one religion over another. According to the Supreme Court in the Everson case, "no tax in any amount, large or small, can be levied to support any religious activities or institutions whatever they may be called or whatever form they may adopt to teach or practice religion."

Behind the phrasing of the first amendment lay the firm belief of the Founding Fathers, born of the bitter experiences under English rule, that no citizen should be compelled to make contributions to the support of religious institutions whose doctrines he does not share.



The maintenance of this separation of church and state is a principle which I have supported all during my tenure in the Congress. It was for this reason, for instance, that I sought amendments to the higher education bill of 1963 to prohibit Federal aid to sectarian institutions of higher education, and to grant taxpayers the right to challenge such assistance in the courts.

Consistent with my beliefs that it is a most important and vital constitutional right of every citizen not to be forced to support sectarian institutions, I feel that the administrators of the antipoverty program, who will dispense so many billions of the taxpayers' dollars, should not be left without specific guidelines as to their duty to uphold that right.

I yield the floor.

Mr. HUMPHREY. Mr. President, just a word or two with respect to this amendment. As I understand, the amendment is to title II. Is that correct?

Mr. ERVIN. This is an amendment to the community action programs. It relates to page 69. It adds to the provisions in lines 7, 8, and 9, a further restriction that no grant shall be made under the community action programs to any school controlled by a religious organization.

Mr. HUMPHREY. I believe the Senator's concern has already been taken care of by the Smathers amendment, which relates to all of title II and parts A and B of title I. But, relating to the community actions program, the Governor of a State, within a 30-day period, can disapprove of any grant, loan, contract, or any other form of assistance. So if there is any serious problem, the Governor can protect the sovereignty of the State by seeing to it that such a program, if it is an undesirable one, is not put into effect.

Mr. ERVIN. It is extremely doubtful whether the Smathers amendment has any application to this portion of the bill; but, apart from that, it is our responsibility to see that no citizen of the United States is taxed for a violation of the first amendment.

The amendment is necessary because of the phraseology in the bill. Subsection (b), on page 69 of the bill provides:

No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

In my judgment, that phraseology, a restriction as to general aid, provides that specific aid may be granted.

Therefore, I think the amendment should be incorporated into the bill, to make it certain that even with the consent of the Governor of a State, Federal funds will not be used in violation of the right of every citizen in the United States not to be taxed for a violation of the first amendment.

Mr. HUMPHREY. I say most respectfully that the Smathers amendment would place an additional check on the administrator of the program, by giving the Governor veto power over the community action programs under title II with respect to loans, grants, or other forms of assistance.

The committee report, at page 21, states, with respect to special education programs:

Such special education programs would be open to all needy children. They would, in no case, involve sectarian instruction, religious worship or practice, or general aid to elementary or secondary schools.

It might well be that there could be some activity or some type of foundation or institution which, under the general direction or guidance of a religious group, would be performing a community service for all needy children or other needy persons, without regard to race, color, creed, or national origin.

It seems to me that what we are attempting to do is to aid the needy, not to aid an institution.

I hope the Senate will not adopt the amendment.

I know that this is a very sensitive issue. However, this is similar to the school lunch program. The school lunch program gives aid to needy children. The National Defense Education Act, also, contains this type of program. That program gives aid to the person, without regard to the institution.

Not long ago a Higher Education Act was enacted. Aid under that act is designed to go to the student, not to the institution.

I respectfully urge the Senate to reject the amendment of the Senator from North Carolina.

Mr. ERVIN. Mr. President, I yield myself 1 additional minute. Even in helping the needy, Congress is not authorized to permit the Governor of a State, by contract, to violate the first amendment of the Constitution. The best way to help and protect the needy is to preserve the Constitution.

I am willing to yield back the remainder of my time.

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. ERVIN] to the committee amendment.

The amendment to the amendment was rejected.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment to the committee amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The legislative clerk read the amendment, as follows:

On page 82, line 20, in the committee amendment, it is proposed to insert the following:

Section 302(a) is amended as follows: Strike the word "grants" wherever it appears and substitute "loans".

Following section (B) insert the word "or".

Following section (C) delete the comma and the word "or" and insert a semicolon and the word "and".

Delete section (D).

In section (2) delete the words "for the purpose set forth in subparagraph (a) (1) (D) of this section" and add in place of this

the following: "to finance nonagricultural enterprises which will enable such families to supplement their income".

Delete the existing section 302(b) and insert in place thereof the following section:

"The Director may reduce or release obligations resulting from a loan made under this section if he finds that the debtor has attempted in good faith to comply with his loan obligations and that either the objective for which the loan was made will likely not be achieved or the indebtedness exceeds the debtor's reasonable payment ability."

Mr. HUMPHREY. Mr. President, I offer the amendment because the bill as it is now written provides for open cash grants of money to persons in rural areas who are considered distressed or impoverished.

It seems to me that if we are to aid people, we should do it with loans, which may be made on more generous terms than regular commercial loans, but yet be repayable, placing some obligation on the recipient of the loan.

The bill now provides:

The Director is authorized to make (1) grants of not to exceed \$1,500 to low income rural families where, in the judgment of the Director, such grants have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them—

And so forth. What I seek to do is to strike out "grants," and permit the Farmers Home Administration to make loans up to \$1,500. In other words, loans would be substituted for grants.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. What would become of the provision in the bill providing for loans of \$2,500, in addition to the \$1,500 grants, which are also provided in the bill?

Mr. HUMPHREY. I appreciate the Senator's question. I am referring to \$1,500 grants which would be made to distressed families. This provision refers to grants for poor rural families for agricultural purposes.

The \$2,500 provision would remain as it is. The only difference is that, instead of a grant, which the bill provides, the Director would be authorized to make a loan of up to \$1,500.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. I contemplate offering an amendment which would strike from the bill that part which authorizes the making of grants to rural families, to be used in acquiring or improving real estate, reducing encumbrances, or erecting improvements, and so forth.

I believe that basically the proposal of the distinguished Senator from Minnesota is sound. If we give a \$1,500 grant to a rural family, inevitably the demand will be made that we give money to city families. I cannot comprehend the adoption of a program of that type.

We say to rural families, "If you apply and qualify, a gift of \$1,500 will be made to you to buy your home, to improve your home, or to pay off an indebtedness."



If we give that grant to a rural family, how can we escape eventually moving into the field of giving grants to all families in the country?

The amendment offered by the Senator from Minnesota would improve the bill immeasurably.

However, would it not leave us in a position in which people in the cities who are impoverished would then be entitled, likewise, at a later date, to receive the same type of \$1,500 loans as are contemplated by the amendment offered by the Senator from Minnesota?

In my judgment the bill is not sound. However, if we leave in the bill the provision that the Government will give to rural families a gift of \$1,500, I believe the world and the citizens of our country will laugh at us.

In pondering this provision I begin to wonder in what form the money will be given. It will probably be given in hundred dollar bills, or perhaps in 50-dollar bills. Perhaps at some time in the future, it will be given in thousand dollar bills, when they become substantially reduced in value.

It is beyond my comprehension to believe that a sound mind concocted the proposal to give away money in this form.

If this provision in the bill is adopted, there will be no end to the program. It will spread through the whole gamut of our economy. If we give to one, how can we rationally deny giving to another?

I am much pleased by what the Senator from Minnesota is seeking to do. I shall join him in the general objective he has in mind. I have not yet decided whether I shall offer a substitute amendment to strike the entire paragraph from the bill, if that is parliamentarily in order.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. LAUSCHE. Would an amendment to strike the entire part of title III dealing with gifts to rural families, in view of the pending amendment of the Senator from Minnesota, be in order?

The PRESIDING OFFICER (Mr. NELSON in the chair). It would not be in order while the amendment of the Senator from Minnesota was pending, but it would be in order subsequently.

Mr. HUMPHREY. I would hope that I might be able to prevail upon my good, wise, affable, and delightful friend from Ohio join with me in sponsoring this amendment to convert the grant section, which he has described so aptly and properly, into an effective, workable loan section.

Mr. LAUSCHE. I am in a measure persuaded by the sweetness of the Senator's appeal.

Mr. HUMPHREY. I always feel that way about the Senator from Ohio.

Mr. LAUSCHE. The saccharine quality of his petition is, in a measure, motivated by his belief that that would be the easiest method of causing me to give in.

Mr. HUMPHREY. It was with some hope in my heart that I thought the saccharine quality would be effective. But I

appeal basically to the Senator's sense of good judgment, fairness, and equity, and to his constructive nature.

Mr. LAUSCHE. Does the Senator from Minnesota know who concocted the idea of giving \$1,500 to each rural family?

Mr. HUMPHREY. I do not; but, quite frankly, I expressed deep concern about it at the White House, together with other members of the committee. That is why I have offered the amendment today.

I believe the amendment is sound. It provides for loans to be made by a tested, tried agency of the Government, namely, the Farmers Home Administration. I hope that we may help those rural families. We do not want to see all the families who are living on farms migrate to the cities. But, by the same token, as the Senator from Ohio has said, if a handout of \$1,500 were to be given to each rural family, it might just as well be given to families in suburban or urban areas.

But if we established a program of loans that would lend itself to the production of new income or income-producing activities, that would be a sound and wise investment.

We can review the subject. In the old days, the Farm Security Administration made loans that it seemed farmers might find it impossible to repay. Yet the loans have been repaid; and the Farmers Home Administration is not a loss agency of the Government; it is a profit agency of the Government.

Mr. LAUSCHE. To obtain a clear understanding of the division between the two provisions, one is for a grant of \$1,500 to rural families, although they may not live on farms; and the \$2,500 would be for rural families that are engaged in the farming industry.

Mr. HUMPHREY. No. Both types of loans are related to families on farms. The first loan is related to the acquisition or improvement of real estate, or to the improvement of the operations of farmers, or to enable them to participate in a cooperative association. In other words, the \$1,500 is related expressly to agricultural pursuits only.

The \$2,500 loan, which would have a 15-year maturity, is related, as the bill provides—and I make no particular change in that—to financing nonagricultural enterprises.

Mr. LAUSCHE. What would be the limitations or conditions under which the \$1,500 loan could be made? Does the Senator spell that out?

Mr. HUMPHREY. Yes. I read from section 306 of the bill:

Loans pursuant to sections 302—

The section I would amend—

303, and 304 (including obligations purchased pursuant to section 303) shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure

completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes.

Mr. LAUSCHE. I thank the Senator.

Mr. ERVIN. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. ERVIN. Is the Senator offering an amendment to convert the provision about grants not to exceed \$1,500 into a provision for loans in that amount?

Mr. HUMPHREY. Yes; that is the purpose of the amendment.

Mr. ERVIN. Do I correctly understand that the Senator's amendment would entirely eliminate all grants in this area?

Mr. HUMPHREY. Yes.

Mr. ERVIN. I commend the Senator upon offering the amendment. I had felt that this was an exceedingly bad provision in its original form. It would be bad, in my opinion, to hand \$1,500 or any substantial amount of money to any American for any purpose.

Mr. HUMPHREY. I thank the Senator from North Carolina.

The Senator from West Virginia [Mr. RANDOLPH] also worked with me on this amendment. I was remiss in not including him as a cosponsor.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MAGNUSON. I am somewhat bothered by this part of the bill. Even if the Senator's amendment should be adopted, would there not be some sort of fiscal duplication? As I understand, the Farm Credit Administration and the Farmers Home Administration can make such loans now.

Mr. HUMPHREY. No. The same facilities would be used, but existing law does not permit this type of loan. I am not knowledgeable with respect to all parts of the bill and the report. The report states:

An estimated 500,000 or more farm families living at poverty levels are now unable to obtain loans from Farmers Home Administration (FHA), the Department of Agriculture agency which provides supervised credit for farmers who cannot utilize normal credit sources. These families are so poor and their farming operations so inadequate that they presently have no debt-paying ability.

Mr. MAGNUSON. But the other qualification is that they have no other finances of any kind. I am wondering if the Farmers Home Administration cannot perform the same function.

Mr. HUMPHREY. We would authorize the FHA, under this proposal, to do that. We would not establish a separate agency.

Mr. MAGNUSON. To give an example, suppose a man in my State has an orchard. Perhaps he does not have enough acres to make a go of it. The man next door might have enough acres,



but might need some credit, and he would go to the Farm Credit Administration to obtain a loan. The first man might go to the new agency and obtain a loan under different terms. I am afraid there would be some conflict in selecting the people who would come under the provisions of this bill and those who can now apply to the Farmers Home Administration. I do not know; I am merely asking the question.

Mr. HUMPHREY. The bill provides that the Farmers Home Administration shall operate and administer the program.

Mr. MAGNUSON. What is the difference between the type of loan that is here proposed and the one that can now be obtained? This is something between what we might call a normal State credit loan and softer terms. We provide for such terms as compared to what is in the FHA now—some 10 years.

Mr. HOLLAND. Mr. President, will the Senator from Washington yield?

The PRESIDING OFFICER (Mr. NELSON in the chair). Does the Senator from Washington yield to the Senator from Florida?

Mr. MAGNUSON. I should like to clear up this question first.

Mr. HUMPHREY. This program is designed not for the well-to-do family, or for the middle-income family. It is designed for the poorest of the poor. Present law requires certain standards, as I recollect. It requires that the FHA, in making a loan to persons who have income-producing instrumentalities and capabilities make sure that they are capable of paying back the loan over a period of time, under the terms prescribed by law.

In a sense, we are broadening the clientele of the FHA and reaching down into the group of farm families that cannot get ordinary commercial credit. They cannot qualify under present law, or under FHA. We are trying to provide them, under my amendment, not with the grant originally contemplated, but with a loan.

Mr. MAGNUSON. I understand that.

Mr. HUMPHREY. The loan is to be at not less than the rate established by the Secretary of the Treasury.

Mr. MAGNUSON. That is the same provision as applies to the Farm Home Credit Administration.

Mr. HUMPHREY. The Senator is correct. We use the same agency, meaning that we have to reach down into a group of people who today are not eligible for credit facilities. In many ways the Farmers Home—

Mr. MAGNUSON. That is rather broad. Let me ask this question: Making loans to this type of person as a matter of policy involves broad authority. The Farmers Home Administration can make loans to anyone?

Mr. HUMPHREY. No. That is not the case, regrettably. The Farmers Home—

Mr. MAGNUSON. If the farmer has a piece of land, that could have something to do with it.

Mr. HUMPHREY. Let me say to the Senator that we are talking about what is called a risk loan—a high risk loan.

Mr. MAGNUSON. I understand.

Mr. HUMPHREY. These are very poor people.

Mr. MAGNUSON. Probably the program involves loans that the Farmers Home Administration would not now make—

Mr. HUMPHREY. The Senator is correct.

Mr. MAGNUSON. It would not make them now as a matter of policy.

Mr. HUMPHREY. Exactly.

Mr. MAGNUSON. But it can make them under the law.

Mr. HUMPHREY. It cannot now make them under existing law, or under existing standards.

Mr. MAGNUSON. Read the law. It can, rather well. It is a matter of policy. I believe it should be clear that we are amending, in a practical sense, the Farmers Home Administration Act.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MAGNUSON. I do not say that we should not do that, but that is what we are doing.

Mr. HOLLAND. I invite the attention of the Senate to subsection (b) at the bottom of page 83 of the bill—which, by the way, will have to be—

Mr. HUMPHREY. It would be deleted under my amendment.

Mr. HOLLAND. Yes, if the Senator's amendment is adopted.

Mr. HUMPHREY. Yes.

Mr. HOLLAND. There is in that subsection (b) a proviso which should be left in the bill which reads:

Grants under this section—

That should be—

Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

Mr. HUMPHREY. Yes.

Mr. HOLLAND. There are occasions when even the Farmers Home Administration cannot make loans. Passage of the bill with the word "grants" substituted by the word "loans" would simply mean that an additional loan, in the most abject cases of farm families not now qualified to borrow either from the commercial offices, the Farm Credit Administration, or from the Farmers Home Administration, could be made for the purposes set out in the bill.

Whether that is a wise course, I do not say, but I feel that it is much better to limit the loans. Therefore, I suggest to the Senator that he consider retaining in his amendment the first sentence of that subsection (b), with the word "grants" changed to "loans."

Mr. HUMPHREY. In other words, on line 18 on page 83 of the bill, strike the word "grants" and insert in lieu thereof the word "loans." It would then read:

Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

Mr. HOLLAND. Exactly.

Mr. HUMPHREY. I accept that modification. I believe that the Senator from Florida is perfectly correct.

Mr. President, I so modify my amendment.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Minnesota [Mr. HUMPHREY] to the committee amendment.

The modified amendment to the committee amendment was agreed to, as follows:

On page 82, line 20, section 302(a) is amended as follows:

Strike the word "grants" wherever it appears and substitute "loans".

Following section (B) insert the word "or".

Following section (C) delete the comma and the word "or" and insert a semicolon and the word "and".

Delete section (D).

In section (2) delete the words "for the purpose set forth in subparagraph (a) (1) (D) of this section" and add in place of this the following: "to finance nonagricultural enterprises which will enable such families to supplement their income".

Delete the existing section 302(b) and insert in place thereof the following section: Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

"The Director may reduce or release obligations resulting from a loan made under this section if he finds that the debtor has attempted in good faith to comply with his loan obligations and that either the objective for which the loan was made will likely not be achieved or the indebtedness exceeds the debtor's reasonable payment ability."

Mr. KEATING. Mr. President, I call up my amendment No. 1125 and ask that it be stated.

The PRESIDING OFFICER. The amendment to the committee amendment of the Senator from New York will be stated for the information of the Senate.

Mr. KEATING. Mr. President, I ask unanimous consent that the reading of the amendment to the committee amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment to the committee amendment (No. 1125), submitted by Mr. KEATING, is as follows:

On page 81, immediately after line 24, insert the following new part:

"PART C—VOLUNTARY ASSISTANCE PROGRAM  
FOR NEEDY CHILDREN

"Statement of purpose

"Sec. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

"Authority to establish information center

"Sec. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to



assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate. The section shall devise a model sponsorship program and shall facilitate coordination between volunteer sponsors and individual children, but each sponsorship shall be supervised by the city or county social welfare agency which recommended the child.

"(b) It is the intent of the Congress that that section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children."

On page 82, line 1, strike out "PART C" and insert in lieu thereof "PART D".

Mr. KEATING. Mr. President, I shall be happy to explain the amendment. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. KEATING. Mr. President, this is a very simple amendment.

In his message to Congress, President Johnson said that there were 35 million Americans living in a condition of poverty, and that of this number 5.5 million are children under the age of 16.

For many of the 5.5 million youngsters about the only hot meal that some of them receive each day is surplus Federal food distributed through the school lunch program. The only reasonable aspiration that a lot of those youngsters have is to get enough to eat. The only future they foresee is continuing in an unbroken cycle of poverty.

It is difficult for many Americans who are situated more fortunately to realize that many of those children do not attend school because they do not have shoes.

Today we are considering legislation which I shall probably support at the end of its perfection which will meet some of these problems in broad and long-range terms. But I regret that there is nothing in this package which offers the ordinary American, the citizen who is concerned and willing to help but who is unable to leave his family or his job to do so, an opportunity to assist in the war against poverty in a personal way.

The amendment to the committee amendment which I am proposing today would meet that need by establishing a clearinghouse in the Office of Economic Opportunity to match up needy children with persons willing to make a small contribution to their support.

The names of the children would be submitted by local social welfare agencies. Once the names were exchanged in Washington the "sponsor," whether an individual or a group would write monthly to the child and would send either a small cash donation or a gift of food or clothing or books, which would be distributed through the local social agency which recommended the child.

The program would be inexpensive. The cost would be nominal. It would be locally based. It would give many of our citizens not only knowledge of the problems of 20 percent of the popula-

tion, but also the opportunity personally to contribute to the abolition of poverty.

The genesis of this proposal is this: A constituent of mine wrote me and said that she had read about the poverty-stricken areas, and that she would like very much to help some of the children. I spoke on the floor of the Senate about this proposal, and I was asked to write an article about it for Parade magazine, which I did.

As a result of that article, more than a thousand letters were received from all parts of the country in support of the program. This demonstrates that there is in the hearts of our American people a real desire to help.

One very moving letter came from a woman in Connecticut who wrote:

I was a school dropout because I lacked clothes, too. How can I help you?

A 53-year-old truckdriver from Santa Clara, Calif., whose own children had grown, offered to sponsor a needy child. A manufacturer in Rochester, Minn., wrote that he and his wife "consider ourselves most fortunate in that we have four lovely adopted children. And we feel so grateful that we would like to help others when and where we can."

A mother of eight children in Buffalo, N.Y., wrote:

Nothing aids communism more than to watch Americans ignoring the poor in their own country. I would like to help in this program in any way I can.

A most heartwarming letter came from a 9-year-old young man from Scarsdale, N.Y. He asked if he could not adopt someone younger than he was, and give him clothes, books, toys, and a little money from his own allowance.

I have in my office a long list of generous Americans who have volunteered to assist a child in need. All that I ask today is an opportunity to put this personal, individual initiative, and personal good will to work. All I ask is that a small corner of the Poverty Office be provided, where a couple of workers could sort out letters and send the names of children in need to these good people. It would not cost the Federal Government a single penny more than is already provided in the bill.

I appeal to my colleagues. I cannot possibly handle this generous outpouring all by myself. I have received more than a thousand letters from people who want to help. I have even received some money from them, which I have returned because I am not equipped to try to help those people. I even have some shoes in my office.

The result of the article proved to me that the American people are most anxious to do this kind of thing. It is from the heart. It involves a personal relationship. I cannot understand what possible objection there could be, so long as we are not setting up some new agency, or asking for a vast sum of money to be spent, to giving authority to the Administrator to set up within his office a clearinghouse for the needy children in Appalachia and in the slums of New York, for example, on the one hand, who have been designated by the social agency, and

on the other hand, the names of thousands of people who are ready to help these needy children. This all applies to children.

Mr. TOWER. Mr. President, will the Senator yield me 2 minutes?

Mr. KEATING. I yield.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 minutes.

Mr. TOWER. Mr. President, I commend the Senator for his very thoughtful amendment. I am aware that there are plans of this type in existence, administered by voluntary agencies. They deal largely with children overseas. I happen to belong to one of those plans, a foster parent plan. I am a foster parent for a Chinese boy in Hong Kong.

I think it is a wonderful plan. I commend the Senator for his amendment. I urge the Senator in charge of the bill to agree to this very worthwhile amendment. I think we ought to take the heat off the Senator from New York. He has a very kind face. He looks like a one-man welfare agency, but I think the need should be met by some other agency.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. JAVITS. I believe the amendment is most desirable. I join the Senator from Texas in commending my colleague from New York and in urging the adoption of such an ingenious and intelligent idea.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HUMPHREY. I read the article which the Senator from New York wrote. I believe it was in Parade magazine.

Mr. KEATING. It was in Parade magazine. I am not sure I shall ever write another one.

Mr. HUMPHREY. If the Senator were not such an excellent writer, he would not receive so many letters. The solution for the Senator from New York is to write fewer articles, and he would not receive so many letters.

Mr. KEATING. The advice comes with good grace from the Senator from Minnesota. He writes many articles and has so many constructive suggestions.

Mr. HUMPHREY. I thank the Senator.

Mr. KEATING. I am sure the Senator from Minnesota is deluged with mail when he makes suggestions. My office staff tells me that I have a bear by the tail; and they are right.

Mr. HUMPHREY. The Senator has an efficient office staff. They are probably underpaid.

Mr. KEATING. Probably they would be underpaid whatever I paid them.

Mr. HUMPHREY. After consulting with the chairman of the committee, it seems that if the Senator would be willing to modify his amendment slightly by merely taking out the lines that read:

The section shall devise a model sponsorship program and shall facilitate coordination between volunteer sponsors and individual children, but each sponsorship shall be supervised by the city or county social welfare agency which recommended the child.



The amendment should be agreed to. The Senator's proposal would still be intact. That modification would not do anything to change in any way the purpose or goal of the Senator's amendment. As one momentarily entrusted with some responsibility on the bill, I would accept it and urge that the Senate vote for it.

Mr. KEATING. I thank the Senator very much. I can understand the possible objection to the discussion about devising a model sponsorship program. I wonder if what we are all trying to accomplish would not be better done if we were to leave in the words, "each sponsorship shall be supervised by the city or county social welfare agency which recommended the child."

Mr. HUMPHREY. I believe that is covered in the lines just above where it is provided:

Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

The intent of guidance and direction by the city or county social welfare agency is clear and unmistakable. That was my understanding. I ask only that this section be dropped, very frankly, because the Senator's amendment came to me very quickly. I want the purpose of the amendment included in the bill.

Mr. KEATING. I am informed by my very efficient staff that the language to which the Senator refers is unnecessary as long as the intent of Congress is made clear with regard to supervision by local agencies.

Mr. HUMPHREY. That is correct.

Mr. KEATING. I would be happy to accept such a modification of the amendment.

Mr. McNAMARA. Mr. President, I appreciate the fact that the Senator is striking out this section. I merely want to comment at this point that we have been struggling all day to get the States into the program, and get the Federal Government out of State business. This situation is just the reverse. It is proposed to put the Federal Government into business here which ordinarily would be left to the State. I believe we are doing that with our eyes wide open. I am not going to oppose it. I would accept it with the amendment.

Mr. KEATING. Mr. President, I am very grateful to the Senator. But I could not let the record stand without some clarification. We are not getting the Federal Government into something which the States now handle. The difficulty is that nobody handles a domestic sponsorship program of this kind except my office staff. This is a program to help the needy. I know it would impress the heart of every Senator. It would not place the Federal Government into an activity. It would merely provide that one or two workers should be placed in the Poverty Office to act as a clearinghouse. The entire program is privately financed and supervised by city and county welfare agencies.

Mr. McNAMARA. Mr. President, I move the adoption of the amended amendment of the Senator from New York.

The PRESIDING OFFICER. Does the Senator yield back the time?

Mr. KEATING. I yield back all remaining time on the modified amendment.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from New York [Mr. KEATING] to the committee amendment.

The modified amendment to the amendment was agreed to.

Mr. LAUSCHE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Ohio to the committee amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. I believe that what has thus far been read will be adequate.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. LAUSCHE to the committee amendment is as follows:

On page 84, beginning with line 1, strike out all through line 17 on page 85.

On page 85, line 19, strike out "Sec. 304" and insert in lieu thereof "Sec. 303".

On page 86, line 2, strike out "Sec. 305" and insert in lieu thereof "Sec. 304".

On page 86, line 7, strike out "sections 303 and 304" and insert in lieu thereof "section 303".

On page 86, beginning with line 11, strike out through "303)" in line 13, and insert in lieu thereof the following:

"Sec. 305. Loans pursuant to sections 302 and 303".

On page 86, lines 7 and 8, strike out "sections 303 and 304" and insert in lieu thereof "section 303".

Mr. LAUSCHE. Mr. President, my amendment contemplates striking from the bill all the material on page 84 down through line 17 on page 85. The material that I ask to be stricken deals with the proposed family farm development corporations. Section 303 would give the Director the authority to make loans and grants to public and private corporations established for the purpose of acquiring farmland, improving such farmland with necessary fences, farm buildings, land and water development, and related facilities, and then to sell the farms so developed or reconstituted to low-income farm families at prices equal to the appraised value when they are used for agricultural purposes and in a manner that the Director determines will further the purpose of the title.

In other words, this section would allow the formation of corporations, either public or private, for the purpose of buying farmland. The money used to buy the farmland would be loaned by the Director of the program to certain public or private corporations. The public or

private corporations, whichever it is, would use the borrowed money to build fences, provide waterlines, build houses, and install other equipment.

After that was done, the corporation would be permitted to sell the land to small family farmowners. The farms would be sold, not in conformity with the money that had been put into them in buying the land, building the fences, houses, and other farm buildings, but in accordance with the appraisal that would be made of the improved land to be used for agricultural purposes.

The query naturally arises, "If we are to sell at a price lower than the money that has been invested, how is the corporation to continue in existence if it loses money?"

On page 85 of the bill there is provision for a grant. Lines 13 to 17 read as follows:

(d) The Director is authorized to make grants to such corporations in amounts sufficient to make up the deficiency between the cost of the farms developed or reconstituted by them and the net proceeds received from the sale of such farms at the prices specified in subsection (a).

I point out that we not only have a loan provision, but also a grant provision in the program for family farm development corporations. What the cost of the program would be no one can foretell. There would be available for the operation the sum of \$35 million, but the \$35 million would cover the \$1,500 provision which we discussed earlier, and the \$2,500 provision must come within the aggregate amount of \$35 million.

I point out my appraisal of this provision. The simplest way that I can do it is to call it an introduction into the American economy of the Kolkhos—the Russian collectivized farm.

That is what it is; and it cannot be denied. The program has been labeled, not by me, but by Norman Thomas, a Socialist candidate for the Presidency, whose mind I deeply admire, and whose alertness I admire, as a Socialistic approach. The National Farm Commission of the Communist Party of the United States adopted the following proposal as early as 1955:

The Government should buy up tracts of land to make productive farms available to sharecroppers, tenants, and farmworkers on a low-cost basis.

There is a further reason why I believe that provision should be stricken. I have been in the Senate for 7 years. I have heard the argument made that we must reduce the productivity of the farmer. We should pay him dollars to take acreage out of production. We should pay him an annual rental to put his farm in the conservation reserve.

I do not believe that anyone can deny the truthfulness of what I am saying. For 7 years I have heard the argument: "Get out of production 12 percent of the acreage of the Nation and you will have some balance between the consumption capacity of our people and the capacity to export and the quantity of production." That has been the theme. Millions of dollars have been spent in re-



ducing the acreage. Yet we come along with a bill which is in direct conflict with everything that I have heard in the 7 years that I have been in the Senate. Irrigation projects have been developed for lands beyond the Mississippi. In all instances the argument was made that there would not be an increase in farm production. I point that out to demonstrate the irrefutability of the statement that I am making, that the program of the country to improve the farmer has been to take land out of production.

What does the bill provide? It provides that the Federal Government shall lend to public and private corporations money to buy land and sell it back to the small farmer at less than the Government put in. To make up the deficit, the Federal Government would make grants.

I cannot reconcile the words spoken last year when the farm bill was before the Senate with the language in this bill. I must forget all I have listened to in 7 years if I am to believe in the soundness and correctness of what is contained in title III, dealing with public and private corporations that would be vested with authority to buy land, improve it, and then sell it back, at a loss to the Federal Government.

This is the "kolkhos" operation. The word "kolkhos" in Russian means collectivized farms. This is the socialization of farmers. I am not so declaring it. It has been so described by Norman Thomas; and the program conforms completely with what the National Farm Commission of the Communist Party of the United States has had to say about how we shall solve this problem.

I think the measure should be stricken. It is not needed. It would not be helpful, but would be harmful.

I reserve the remainder of my time.

Mr. TOWER. Mr. President, will the Senator yield me 3 minutes?

Mr. LAUSCHE. Yes.

Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Ohio has 18 minutes.

Mr. LAUSCHE. I yield 5 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, the Senator from Ohio has offered a constructive amendment to eliminate what I consider to be a very destructive provision of the bill.

I suppose the Senator is aware that this proposal is pretty much a revival of the old resettlement program operated by the Farm Security Administration back in the 1930's. It was proved to be a failure during the Roosevelt administration, and was abandoned. The House Agriculture Committee made an investigation of it, and had some highly critical comments to make about it. I quote from those findings:

The investigation disclosed that, beginning with the administration of Rexford G. Tugwell and continuing throughout the administration of C. B. Baldwin, the Farm Security Administration was financing communistic resettlement projects, where the families could never own homes or be paid for all that they made or for all the time they worked, and was supervising its borrowers to the extent of telling the borrower how to raise his children, how to plan his homelife, and, it is

strongly suspected in some cases, how to vote. Some families were "kept on the Government" indefinitely, while other families that were willing to work just as hard and do their best to pay their debts, would not get any help from the Government at all.

We are seeing a revival of that old, discredited program.

I hope the amendment offered by the Senator from Ohio will be adopted.

Mr. SIMPSON. Mr. President, I request the yeas and nays.

The yeas and nays were not ordered.

Mr. McNAMARA. Mr. President, title III is directed at a group of people who, taken together, account for less than 1 percent of the farm population. Those people, even with the assistance proposed to be offered, would not enlarge our surpluses to any appreciable extent. To assist small farmers to acquire land is to some degree to lessen the probability of the land being acquired by large type operators.

We believe that those who have a history of producing crops in large supply would be favored if they were allowed to continue to swallow up the small farmers who do not produce crops in surplus.

Mr. MANSFIELD. Mr. President, will the Senator from Michigan yield so that I may ask for the yeas and nays?

Mr. McNAMARA. I yield for that purpose.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McNAMARA. Mr. President, in conclusion, I point out that the purpose of section 303 is spelled out in the first part of the report of the committee on page 29, which reads:

Section 303 authorizes the Director to extend credit and technical assistance to non-profit development corporations, either public or private, for the purpose of enabling poor farm families to gain ownership of farmland.

There is much to be considered in what the Senator from Ohio says, but if we look at the prime purpose of the bill, these people are some of the most impoverished in the country. They amount to less than 1 percent of those producing farm crops. They are at the bottom of the economic ladder. We should want to be able to do something for them. This proposal does not have the bad aspects that were pointed out.

On page 87, beginning on line 10, it is stated:

No financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

That is a further safeguard in connection with this section. The benefits provided are comparatively small. These people are in such poverty that they really need the assistance of the Federal Government offered by the section; and I hope the Senate will keep the section in the bill.

Mr. LAUSCHE. Mr. President, an argument has just been made about the moral goodness of helping the poor. Certainly no one can argue with that purpose. I believe my life will show that I have been as charitable and as sympa-

thetic in extending help to the poor as has any official in my State. But with respect to all these items, the argument is made, "Help the hungry and help the poor." Those people would not be helped by the proposed program. It would not work.

Throughout the discussion of the bill, every argument I have listened to has been hitched to the proposition of hunger and poverty. I candidly state on this floor that a disservice has been rendered to the United States by those who are trying to portray to the world that we have hungry people going to bed every night.

It is not a fact. It is a falsehood. It is a demagogic argument, concocted to pass a measure which, on the basis of its own structure, is weak.

The challenge is thrown out that we do not care what is being done, that there is an absence of mercy and sympathy for those who are in want.

On the statute books there are duplicated and overlapping programs to take care of people who are in need.

Just as in the case of the provision which the Senator from Minnesota had stricken from the bill, which provided for \$1,500 gifts, to a certain extent there is a duplication in the section that I am trying to strike. A rather strange development has taken place with regard to the pending bill. The proponents came in a half hour ago and asked that it be reformed to eliminate the \$1,500 gift provision.

I had an amendment in the process of preparation to strike that provision from the bill. That provision was so obnoxious and unacceptable that the proponents of the bill decided to drop it. The provision of the \$1,500 gift reflects the philosophy which underlies generally the provisions contained in this entire document.

An answer has been sought to be given to my argument. There is no answer to the argument that I have made.

For 7 years I have listened to arguments about taking acreage out of production. No one will dare deny that fact. Every time a farm bill has been under consideration ways and means have been rather ardently sought with which to take acreage out of production. The bill occupies a position directly opposite:

Perhaps the sophisticated promoters of the bill feel that the citizenry will forget today what was said yesterday. Perhaps they feel that Members of the Senate, with shallow minds and short memories, will also forget what has been said year after year, not only in the 7 years that I have been here, but also in the past 25 years.

The word has been: "Take farmland out of production." The pending bill provides: "Put farmland into production."

How crazy must a man be to believe that?

My words are a bit harsh, but I would have to say that I had lost my whole reasoning if I were able to reconcile those two proposals.

Mr. McNAMARA. I wish only to repeat that the amount of money involved is very small, and the effect on agricul-



tural production would be less than 1 percent.

The proponents of the bill have not been talking about hungry people, and they should not hang their heads in shame before the rest of the world because of the reference to hungry people. We are not doing it. The opponents of the bill have repeatedly done it. I believe this provision is an effort to help farm people who need help very much. I hope the Senate will retain this section in the bill.

Mr. JACKSON. Mr. President, will the Senator yield me 5 minutes on the bill?

Mr. McNAMARA. I yield the Senator 5 minutes on the amendment.

#### AMENDMENT OF ALASKA OMNIBUS ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

#### "NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may

also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

#### "URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake.

#### "EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

#### "MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

#### "PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete capital improvements begun prior to the earthquake: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000: *Provided further*,

That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed 3 per centum on the unpaid balance.

#### "PURCHASE OF HOME MORTGAGES

"SEC. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000."

#### APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska. The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000.

#### TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

#### REPORTING

SEC. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964.

Mr. JACKSON. Mr. President, I move that the Senate concur in the House amendment with an amendment to strike out the colon at the end of the third line from the bottom of page 5, or after the figure "\$25,000,000," and to strike out all of the remaining two lines on that page together with all on page 6 down to and including all of section 57.

Mr. President, I should like to make a very brief statement on this subject.

The House amended the bill to include a provision for the repurchase—up to \$10 million—by the Federal National Mortgage Association of FHA-insured mortgages secured by property in Alaska destroyed or severely damaged in the 1964 earthquake.

Under this amendment, the FNMA could be authorized to repurchase only those mortgages which it, at some time, held in its portfolio.

The other provision relates to the interest rate in connection with the Alaska State bonds which the Federal Government could purchase.

The House rate was 3 percent on the unpaid balance. The Senate provision provided for the going rate.

I have discussed the matter with the chairman of the House committee, Mr.



ASPINALL, and I have discussed it with the Representative from Alaska, Mr. RALPH RIVERS. If it were possible, all of us would like to see the House amendment agreed to. However, we must realistically face a situation in which it is believed, in the executive branch of the Government, that these amendments would set precedents incompatible and inconsistent with aid given in other disasters.

Therefore, what we are doing here is to ask that the Senate agree to the House amendments except the one relating to repurchase of mortgages by the FNMA, and the 3-percent interest provision in the House-amended bill.

Of course, we have accepted the other House amendments. One provides for the eligibility of Anchorage for 90 percent urban renewal project capital grants. This provision was excluded from the Senate bill.

We also go along with the \$50,150,000 ceiling on additional obligational authority placed in the bill by the House, and the provision to require reporting to the Senate and House of Representatives on actions taken under the act.

Every one of us would like to see more help given to Alaska. But I believe we must realize that effective legislating requires knowing the proper time for compromise.

This proposal represents the best possible effort that we can make, consistent with the requirements of balancing our duties and responsibilities with the position of the executive branch of the Government.

To go beyond this would mean that we would be confronted with a possible veto.

We must be responsible and accept this proposal in the Senate as the best program we can obtain in connection with the terrible disaster that has befallen our 49th State.

Mr. GRUENING. I greatly appreciate the interest of the distinguished Senator from Washington [Mr. JACKSON] concerning this matter, but I respectfully disagree with him and hope that the Senate will accept the House bill with all its amendments. They substantially improve the bill. One of the amendments to the original omnibus bill is that the Federal Government will accept bonds of the State of Alaska. The interest rate fixed in the Senate was 3½ percent. I had sought a rate of three-fourths of 1 percent, which we continue to give freely abroad. But that amendment was tabled in the Senate Interior Committee. The House amendment reduces the rate from 3½ percent to 3 percent. In other words, we are quarreling over a measly five-eighths of 1 percent for the State of Alaska, which has been struck by the worst disaster that has befallen any State in our history. We are doing this in the face of an impending attempt—which will be successful—to pass a foreign aid authorization bill of not merely \$3.5 billion, which is supposed to be the "bare bones" amount, but which will amount to \$5 or \$6 billion when all the additional spigots are included. In that bill we will be providing through development loans more than \$1 billion of aid to foreign countries at three-

fourths of 1 percent a year as we have done in the past year, 1963. But when it comes to the State of Alaska, I am merely asking for a reduction of five-eighths of a percent in interest charges from the debt that the people of Alaska will have to pay back to their own Federal Government.

Mr. HOLLAND. Mr. President, will the Senator from Alaska yield?

Mr. KEATING. I yield to the Senator from Florida?

Mr. HOLLAND. Does the Senator recall that on the REA loans made by the Federal Government to the people the rate of interest is 2 percent?

Mr. GRUENING. That is correct.

Mr. HOLLAND. And there is no disaster.

Mr. GRUENING. But here we have a disaster, a disaster of unprecedented magnitude that has befallen a portion of the American people.

Mr. HOLLAND. Those loans have totaled a good many billion dollars. The Senator has a point. I hope he will prevail.

Mr. GRUENING. I hope, in the first place, that this particular amendment made by the House, which involves only the State of Alaska, and provides for a \$25 million loan, will prevail. It reduces the amount of interest to be paid by the people of Alaska by a mere five-eighths of 1 percent. That is the crux of the whole issue. The Senate bill pegs the interest rate at 3½ percent; the House amendment reduces the rate to 3 percent.

I submit that the State of Alaska should be enabled to borrow money from the Federal Government at 3 percent, while at this very time it is planning to lend more than a billion dollars to foreign countries, for all kinds of enterprises, at three-quarters of 1 percent, with no repayment of principal for 10 years.

I have before me a list of the loans that have been made in the past year—1963—to foreign governments at three-quarters of 1 percent. They include loans on those terms to private and public enterprises in Argentina, Bolivia, Chile, Colombia, Costa Rica, India, Nepal, Pakistan, Turkey, the United Arab Republic, Cameroon, Ethiopia, Ivory Coast, Liberia, Mali, Niger, Nigeria, Somalia, Sudan, Tanganyika.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRUENING. Mr. President, I ask unanimous consent that I may have another 5 minutes.

Mr. MANSFIELD. Mr. President, as a favor, we allowed 5 minutes for the consideration of this subject. I think we should return to the business at hand.

Mr. GRUENING. In that case, I ask that this matter be taken up at a time when my colleague from Alaska can also be in the Chamber, and I can have time to present Alaska's case.

Mr. BARTLETT. Mr. President, I wish to have the RECORD note that I am in the Chamber; but I do join in the request for additional time.

Mr. GRUENING. This is an important issue. We would like to discuss the

two amendments and have them passed upon.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. FULBRIGHT. Mr. President, will the Senator yield 10 minutes to me?

Mr. McNAMARA. Mr. President, I yield 10 minutes on the bill to the distinguished Senator from Arkansas.

Mr. MORSE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Rhode Island for an insertion in the RECORD.

Mr. PASTORE. I thank the Senator from Arkansas for his indulgence.

Mr. President, sometimes an observant editor can compress into a few paragraphs the essence of the pro's and con's of legislation that command our oratory for weeks. I feel that the editorial column of the Providence Journal for Tuesday, July 21, 1964, renders that service for S. 2642, "The Bill To Fight Poverty," as the editor properly titles it.

The paradox of our abject poverty in the midst of our unequalled prosperity impels the editor to logical support of the bill as one that is modest in cost—mostly local in administration—for its help toward self-help and because, in simple words, the measure is needed.

I ask unanimous consent that the editorial be made a part of my remarks at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE BILL TO FIGHT POVERTY IS ASSIGNED TOP PRIORITY

The Johnson administration appears to be contradicting itself this week on the state of the American economy. Appearances can be deceptive.

On the one hand, President Johnson has been boasting that Americans have never had it so good. Mr. Johnson gleefully pointed out to the press the other day that the gross national product in the March-June quarter soared to \$618.5 billion, up \$10 billion; that personal income has risen \$11.4 billion to an alltime high of \$491.3 billion, that non-farm employment in June reached a record of 59.1 million, and that industrial production has climbed to 131.8 percent of the 1957-59 average.

On the other hand, the administration is pushing as must legislation for the reconvened Congress a billion-dollar catch-all program to fight poverty.

The paradox of pleading poverty in the midst of plenty is clear. But it would be wrong to write this off as the figment of a confused political imagination. The paradox is real; it exists and persists as a fundamental fact in an economy which has given a large majority of Americans the most abundant lives that any people have ever enjoyed, but which, at the same time, has failed to provide minimum opportunities and rewards to millions of their fellow citizens.

The Johnson antipoverty measure faces a stiff, partisan battle in Congress. It ought to be carefully studied and thoroughly de-



bated to guard against unwise and unwarranted extensions of Federal power and to check any extravagant use of Federal funds.

But foes of the measure ought to give the Johnson proposals a fair hearing. The administration bill has much to commend it:

It is modest. One billion dollars—actually \$962.5 million—is a small sum to pay for a people who enjoy a gross national product of more than \$600 billion a year and who spend \$50 billion a year on arms alone.

It places most of the responsibility for initiating and operating programs on the State and local governments rather than building any big, new federal bureaucracy.

Its aims are at self-help rather than subsistence. Its program for work and education are directed at rooting out the causes of poverty rather than merely alleviating the distress.

Above all, it is needed. Former Journal-Bulletin staffer Ben Bagdikian has vividly reported the extent and misery of poverty in a well-documented book about the poor from coast to coast, whom he has called the invisible Americans. The President's Council of Economic Advisers has estimated that between 33 million and 35 million Americans—nearly one-fifth of the whole population—are living at or below the boundaries of poverty." The boundary the committee placed was a minimum income of only \$3,000 a year for a family of four.

Anybody who doesn't think there is a need for a war on poverty in affluent America ought to read Mr. Bagdikian's book; or try to support a wife and two youngsters on less than \$3,000; or give some thought to the invisible Americans who are beginning to make themselves seen and felt in places like Harlem and Mississippi; or, for that matter, just take a walk in South Providence and some of the other pockets of poverty in our own backyard.

#### PENMANSHIP LESSON AS TAUGHT BY ARKANSAS CIRCUIT JUDGE MAUPIN CUMMINGS

Mr. FULBRIGHT. Mr. President, I wish to comment briefly about the actions of Judge Maupin Cummings, of Fayetteville, Ark., in a recent case involving seven juvenile beer truck burglars.

Judge Cummings, one of the wisest and most efficient public servants I have ever known, handled this case with extraordinary imagination and skill. Instead of committing these youngsters to the penitentiary and thereby creating a serious obstacle to their rehabilitation, the judge, by taking a personal interest in their welfare, devoted time and effort to teaching them a lesson. I shall read a part of the article and then place the entire article in the RECORD. The case involved seven young men.

Seven beer truck burglars will this week wind up an extended penmanship lesson—taught by Circuit Judge Maupin Cummings.

Each member of the group—arrested last winter in the theft of beer from McBride Distributing Co. beer trucks—will write a 500-word essay on "Why I Don't Want To Go to the Penitentiary."

The seven were scheduled to do some firsthand research for the essays last week with a visit to the State penitentiary. This trip was scheduled at Judge Cummings' direction.

Each youth was assigned a week ago to sit in open court and write "I won't throw beer cans on the streets and highways" 1,000 times.

The seven were assigned earlier this month to pick up 1,000 beer cans off the streets

and highways and deliver their load to the back of the courthouse for Judge Cummings' inspection.

Mr. President, I submit that this is one of the most intelligent ways to impress upon young men who have strayed from the proper path the importance of respect for the society in which they live. I am sure this will make a much more enduring impression upon them than if they had actually been sent to the penitentiary. It is a wonderful example of how an imaginative judge can perform a real service for young men caught in such circumstances.

I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### AS TAUGHT BY JUDGE CUMMINGS—BEER TRUCK BURGLARS NEAR END OF PENMANSHIP LESSON

Seven beer truck burglars will this week wind up an extended penmanship lesson—taught by Circuit Judge Maupin Cummings.

Each member of the group—arrested last winter in the theft of beer from McBride Distributing Co. beer trucks—will write a 500-word essay on "Why I Don't Want To Go to the Penitentiary."

The seven were scheduled to do some firsthand research for the essay last week with a visit to the State penitentiary. This trip was scheduled at Judge Cummings' direction.

Each youth was assigned a week ago to sit in open court and write "I won't throw beer cans on the streets and highways" 1,000 times.

The seven—Jerry Hamm, Jack Dominy, David Bassett, and Charles and Joe Rankin, of Fayetteville, and John Lehman and Kenneth Clayton, of Farmington—were assigned earlier this month to pick up 1,000 beer cans off the streets and highways and deliver their load to the back of the courthouse for Judge Cummings' inspection.

Another youth, Ronald Hardin, charged separately as an accessory after the fact, was assigned to assist in the latter operation.

The seven have been released pending pronouncement of sentence this fall.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. FULBRIGHT. Mr. President, the economic opportunity bill now before the Senate is one of the most significant proposals made by this Democratic administration. Perhaps more important than the specific provisions of the bill which have much to commend them is the fact that the development of this legislation has brought to the attention of the Nation the real poverty which continues to exist in this Nation of great abundance.

It is a tribute to our democracy that in a time of relative prosperity the Senate should now be considering legislation to strike at the roots of poverty. The charge that this legislation is designed to buy votes is pure hogwash. Its beneficiaries are undoubtedly the least active politically of all our citizens. The poor live on a narrow margin with little time for political activity, and most

of them lack the vigor, drive, and education essential to participate effectively in political processes.

Mr. President, it has become apparent that economic growth, no matter how rapid, will not in itself provide jobs for all Americans. Unemployment and underemployment remain major problems in the social and economic life of America. While our annual gross national product approaches \$625 billion, it is a plain, hard fact of life that a number of Americans are not merely unemployed; they are unemployable or they are eking out a less-than-adequate living from enterprises with no potential for the future. They live on unproductive farms, without the capacity to develop viable farming operations, and without the talents to compete in area markets. They live in urban slums, restricted and confined by their degenerating environment. They are in the Ozarks and in the mountains of Appalachia. And they have children who, unless provided for by a special effort, such as this bill, will perpetuate the privation known to their parents. It is not the purpose or function of this legislation to give material goods to those who have little. It is not merely another program of charity which will only temporarily release the symptoms of poverty. Its only gift to its beneficiaries is opportunity—opportunity in the form of useful work, vocational training, basic education, literacy training, and creation to underwrite their own enterprises. Without initiative and effort by the participants, the programs authorized by the bill will have no success. The legislation requires faith in Americans and confidence that equipped with skills and self-respect most Americans can become useful members of our society.

It is a truism that poverty and the factors which perpetuate it are rooted in ignorance. Only education can equip a migrant worker or an unskilled laborer for more productive pursuits. Only education can give hope to young people in very low-income families whose futures are otherwise bleak.

I support this legislation because its purpose is to educate, and it is through education that cultural and material privation in America can be abated.

The Job Corps created by this bill is estimated to recruit 40,000 young people in the first year, and 100,000 in the second. Its primary purpose is to establish an environment conducive to the development of these young Americans and to provide fundamental education in conjunction with useful work experience. Only youngsters who are unable to meet the challenges of traditional academic and vocational education will be enrolled. We should have no illusions that this program will produce Horatio Algiers in great numbers. There will undoubtedly be problems and failures in its development and administration, but the potential for human redemption and development is great. If even a relatively few of these young people are turned away from a life of degradation and crime and set on the path toward useful lives, the Nation will



be amply rewarded for its investment in this program. The work-training and work-study programs to create jobs for students from low-income families, by which they can support themselves while obtaining secondary and college educations, are well warranted. They duplicate no existing scholarship or loan programs and there remains a great need for Federal assistance to students in schools at all levels. For the children of very low-income families, however, these forms of assistance will be a god-send.

It is contemplated that the communities action program, to be developed with regard to the peculiar needs of each community with Federal financial assistance, will be primarily educational. A Federal administrator cannot devise or superintend measures to correct human deficiencies except in the broadest terms. It will be left to local governments and local leadership to make this program work. The experience of my own State with such programs as area redevelopment, Hill-Burton hospital construction and soil conservation, is clear proof of the capacity of community leaders to use Federal seed money for material improvements. I firmly believe that the educational, civic, and business leadership in the towns and cities of Arkansas will be no less resourceful in cultivating the potential of human beings.

Special educational programs for migrant workers and work-experience projects for unemployed workers are also provided. With the exception of the limited small loan authority given to the Farmers Home Administration and the Small Business Administration, this legislation is an education bill and I support it as such.

Unless means are found to rectify the human inadequacies which account for unemployment and misery, our Nation will continue to lose the services of many citizens, continue to bear the high cost of welfare programs and, worse still, continue to condone ignorance and privation of the worst kind in an affluent society.

In reporting this bill the Senate committee said:

The war on poverty is not an effort simply to support people, to make them dependent upon the generosity of others; it is designed to give them a chance to help themselves. The weapons of this war are directed not at the symptoms but at the causes of poverty. This bill seeks not merely to ameliorate and alleviate—it seeks to prevent and to rehabilitate. While this measure places rather high priority on helping young Americans, and while it provides programs directed at several specific problem areas, it is not directed primarily at specific groups. There is no specific provision for categorical groups such as women, the aged, or juvenile delinquents. This legislation is designed to help the poor. It is designed to help all the poor. And there are substantial numbers of every conceivable category of poor people who can and hopefully will be helped by this legislation.

Mr. President, I shall vote for this bill also because it has special significance for the people of Arkansas. The people of my State are working hard to build a strong, balanced economy and their

progress is indicated by an increase in the median family income from \$1,348 in 1950 to \$2,629 in 1960. This improvement has accelerated since the 1960 census.

But, many people in my State remain poor by any definition. According to the 1960 census, 14.2 percent of Arkansas families had annual incomes of less than \$1,000. Over 60 percent, nearly twice the national average, had annual incomes of under \$4,000.

Like many States which have traditionally relied on agriculture as an economic mainstay, Arkansas has been severely affected by the revolution in agriculture which has produced larger, more mechanized farms and has rendered subsistence farming an anachronism. For those in rural areas without adequate educational preparation for other types of employment, these trends are discouraging.

A strenuous effort on the part of local leaders has greatly increased industrial and commercial employment in the State, but we have been handicapped by tax revenues which are by national standards inadequate to the task of developing the schools, roads, and other public facilities which underwrite economic growth.

This is especially true with regard to education. While struggling to achieve a fair share of the Nation's prosperity, we in Arkansas are handicapped by teachers' salaries which average slightly over \$4,000 against a national average of \$6,164. According to the latest figures released by the National Education Association, teachers' salaries in Arkansas have increased 79.3 percent in the last decade, sixth nationally in rate of increase. However, teachers' salaries in the State are 66.5 percent of the national average, and the average Arkansan has now completed 8.9 years in school as against the national average of 10.6 years. Very literally, we are running as fast as we can just to stay in the same place.

A combination of economic, social, and educational factors force a disproportionate number of Arkansas schoolchildren to drop out before the completion of their public education. Only 65 percent of the students who were ninth graders in the 1959-60 school year stayed in school to graduate last June. The dropout rate is, of course, very high among children from low-income families.

The relationship between inadequate education and poverty is well established and I do not need to document it further. This bill will not, of course, meet the need for a long overdue program of grants to the States for public education but it will fill in some of the cracks in our educational wall for school dropouts, older people who are unskilled and even illiterate and preschool children whose environment may severely handicap them even before they start the first grade.

As it should, the bill before the Senate allocates the funds which it authorizes to the States on the basis of need. For example, the funds available for community action programs under title II

will be distributed among the States, one-third on the basis of the number of public assistance recipients, one-third on the basis of unemployment, and one-third on the basis of the number of children under 18 in families with income of less than \$1,000. Thus, States such as Arkansas with a relatively great number of low-income families will receive special benefits from this legislation.

This is not to say that the bill is sectional, albeit some sections will profit from it more than others.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. Mr. President, will the Senator from Michigan yield me 2 additional minutes?

Mr. McNAMARA. Mr. President, has all time expired on the amendment?

The PRESIDING OFFICER. The Senator from Michigan has 18 minutes remaining.

Mr. McNAMARA. I yield 2 additional minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 additional minutes.

Mr. FULBRIGHT. I thank the Senator from Michigan.

The educational achievements of people in Arkansas and similar States strengthen the Nation as a whole economically, socially, and politically and, as the committee points out in its report, poverty in varying degrees is found in all sections of the country.

A very fine article on the importance of this bill for Arkansas was published in the Arkansas Gazette of July 12. I ask unanimous consent to have the article written by Mr. Richard Allin printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Arkansas Gazette, July 12, 1964]

#### THE WAR ON POVERTY: ARKANSAS' ROLE

(By Richard Allin)

One of the biggest battles of President Johnson's war on poverty will be fought in Arkansas. Poverty in the land of opportunity is, according to official statistics, double that of the Nation as a whole.

One-fifth of all American families have incomes too small to meet their basic needs, the President said. More than 20 percent of the Nation's families earn a poverty income of less than \$3,000 a year. A seventh exist on less than \$2,000 annually, and 5 percent have only \$1,000 on which to subsist.

Intolerable, the President said, in a nation with a gross national product of nearly \$600 billion.

What is bad in the Nation, in the President's view, is worse in Arkansas, according to the cold figures. Income for Arkansas families, set beside the definition of poverty made by the U.S. Bureau of Labor Statistics shows why:

Sixty percent of Arkansas families make less than \$4,000 a year. Nationally it is 30 percent.

Forty-seven and seven-tenths percent of Arkansas families have incomes under \$3,000. Nationally it is 20 percent.

Fourteen and two-tenths percent of Arkansas families make less than \$1,000 annually. It is 5 percent nationally.

The median family income in Arkansas, according to 1960 census figures, was \$3,184. Nationally it was \$5,600.



Still some economists consider the Bureau's cutoff line too low. A study by the University of Michigan, "Income and Welfare," sets it at \$4,300. Dr. Gabriel Kolko in his book "Wealth and Power" puts it at \$4,500.

The war on poverty will not be one of the direct doles to the poor. It is not a beefing up of public welfare programs. Instead it provides for the use of Federal funds to stimulate immediately economic and educational opportunities.

It has not been determined how Arkansas will share in the President's poverty program. A guess said its first share would be about \$15 million—provided the bill is approved in its present form. Preparations for the poverty fight in Arkansas will be handled, on the State level, by a group to be headed by State Planning Commissioner Ted Morley, who was appointed by Governor Faubus for the task.

The antipoverty program in which Arkansas will share is embodied in the Economic Opportunity Act of 1964 which would do this: (a) Set up an Office of Economic Opportunity to be administered by R. Sargent Shriver; (b) provide \$315 million for a community action program based on plans submitted by communities to combat poverty, with the Federal Government initially financing 90 percent of the cost; (c) set up a \$190 million job corps to quarter eligible youths in more than 100 Federal camps (e.g., Camp Chaffee), where the emphasis would be on job training, basic education, and conservation projects; (d) create a \$10 million volunteers-for-America program to enlist 3,000 to 5,000 workers for service projects to migrant labor camps, mental hospitals, etc.; (e) create a \$15 million national work training program to help youths find jobs; (f) create a \$72.5 million program to help students from poor families work their way through college; (g) set up a \$50 million program for development of family-size farms, and provide grants and loans to run such farms; (h) create a \$25 million program to provide loans of up to \$10,000 to new industries in depressed areas for each new job created for the hard-core unemployed; (i) a \$150 million program to stimulate State aid in job training and education for parents on relief.

Estimates say President Johnson's attack would apply to 30 million Americans in families with yearly incomes below \$2,000. A third of Arkansas families are in this category. And of these, 64,041 had an income of under \$1,000 a year, and 82,639 made only \$1,000 to \$2,000, according to the most recent census.

The next-door-neighbor type of Arkansas family with a wage-earning father, a mother, and two children fares better, on the average, than other family groups, but it is still much below the national average. There are 53,506 families of this type in Arkansas. Nearly half have incomes below \$4,000 a year. More than a fourth earn less than \$3,000 annually.

The President's program would also help the 3 million unattached individuals whose annual incomes are below \$1,500. There are about 105,000 of these unattached persons in Arkansas. Their lot, as a group, is not a happy one. Sixty percent of them—about 64,000—make less than \$1,000 a year. Another 18.7 percent make \$1,000 to \$2,000 annually.

Where is poverty in Arkansas? It is everywhere. Only 4 of the 75 counties have a median family income above \$4,000, the poverty cutoff line. They are the industrial counties of Pulaski, Saline, Sebastian, and Union. Pulaski leads the State with \$4,945 as the median family income.

Ten counties have a median family income of less than \$2,000. Lowest is Newton. Next in line of ascent are Lee, Stone, Fulton, Sharp, Woodruff, Lincoln, Madison, Van Buren, and St. Francis. These are from Bureau of Census figures.

Counties with median family incomes of less than \$3,000 are Baxter, Boone, Calhoun, Carroll, Chicot, Clay, Cleburne, Cleveland, Conway, Crittenden, Cross, Dallas, Desha, Drew, Faulkner, Franklin, Grant, Greene, Hempstead, Independence, Izard, Jackson, Johnson, Lafayette, Lawrence, Little River, Logan, Lonoke, Marion, Mississippi, Monroe, Montgomery, Nevada, Perry, Phillips, Pike, Poinsett, Polk, Prairie, Randolph, Scott, Searcy, White, and Yell.

Unemployment in Arkansas is slightly above the national average. At the end of the last fiscal year, Arkansas' rate was 5.9 percent compared with the Nation's 5.6.

The statistic tells nothing of the prolonged history of unemployment in the labor market areas surrounding 23 Arkansas towns, nor of the need of Federal assistance through the Area Redevelopment Administration. In all, 28 counties are affected by these areas.

Centers of chronic unemployment, according to the bureau of employment security, are Arkadelphia, Camden, Clarksville, Conway, De Queen, Harrison, Magnolia, Malvern, Mena, Morrilton, Newport, Ozark, Paris, Pocahontas, Prescott, Rison, Russellville, Searcy, Sheridan, Stamps, Van Buren, Waldron, and Walnut Ridge.

The poverty rate in Arkansas is highest in rural areas. It is always higher among Negroes than whites. A tenth of all white families make less than \$1,000. More than a third of Negro families are in that group.

Forty percent of all white families have an annual income of less than \$3,000 a year compared to 80 percent of Negro families. And of white rural farm families, 17 percent earn less than \$1,000 a year compared to 45 percent of Negro farm families.

Public welfare, largely federally supported, reaches only the most destitute and barely nicks Arkansas' massive problem. Most goes for old age assistance. But persons over 65 years of age cease to be eligible for assistance when they earn more than \$30 a month. Last fiscal year an average of 56,061 cases per month received an average payment of \$61.85, a total of \$41,606,514.

A favorite maxim about poverty is that it "is often a state of mind" and that there is a difference between poverty and low income.

Capt. W. E. Grantham, Little Rock City Center commander of the Salvation Army, sees the main causes as educational background and early training. The Army's youth work is designed to overcome a home atmosphere which perpetuates poverty. "We let them see they need not be the same liability to the community that their parents have been. I have counseled with parents of these children and found that the pattern of their living was set by their parents before them," Captain Grantham said.

Poverty has its own laws: Poverty perpetuates itself. Those living in poverty have the highest degree of unemployment. Poverty level is always tied closely to educational level. Poverty is always higher in rural than in urban areas; always higher among non-whites than whites. And, as if underlining the obvious, it is always higher among the unskilled.

In Arkansas most skilled jobs are held by white persons. Half the State's jobs are "blue collar" jobs, the 1960 census report shows.

The 1960 census showed that the occupational groups with the highest rates of unemployment in Arkansas were the operatives and kindred workers, craftsmen, and foremen, farm laborers, and common laborers. They accounted for 79.4 percent of all the experienced unemployed in the State. (Operatives are truck and tractor drivers, route men, machinery operators, lumber and sawmill workers, etc.).

A person's race makes an overwhelming difference. Unemployment among Arkansas Negro laborers was twice (36.6 percent) that

of white laborers (15.3 percent). Three times as many Negro farm laborers were unemployed as white. Unemployment was lowest among professional and technical workers—that is, the higher educated, white skilled.

Poverty is related to education. Arkansas is below the national educational median, and may be falling further behind. The average person in the United States has completed 10.6 grades of school. The average Arkansan has completed 8.9 grades.

In the last 20 years, Arkansas has risen one grade level in its educational median—from 7.9 to 8.9—while the United States as a whole has risen two—from 8.6 to 10.6.

In a study of what a model annual budget for an urban worker's family should be for a "modest but adequate" existence, the Bureau of Labor Statistics analyzed 20 cities. Of the 20, Houston most nearly resembles Little Rock. The budget is what should be necessary for a family consisting of an employed husband, aged 38, a wife not employed outside the home, an 8-year-old girl and a 13-year-old boy.

For Houston the modest but adequate budget is \$5,370. More than half the families of Little Rock are below this, and the State family median is much lower.

The poor have their own buying habits. The manager of a store of a chain of supermarkets in Little Rock said buying habits differ widely between stores and that some stores are stocked with the poorer trade in mind. His store is in a predominantly low income neighborhood. There is a high movement in lower cost foods such as dried beans, cheaper cuts of pork, pigtales, jowls, hamburger meat, and bone-and stew. The store stocks three different price brands of the same canned commodity. The cheapest brand always moves fastest.

One of the most frequent ailments physicians find among children examined at the University of Arkansas Medical Center is malnutrition. "It's tremendously high" one physician said. "Very common," said another.

Caring for charity patients is a big business in Arkansas, with the biggest business at the University Medical Center. There were 9,456 admissions during the last fiscal year, and only 958 of them were full paying patients. More than half were full charity patients paying nothing, 644 were paid for by State welfare, and the remainder paid only part of their bills. More than a third of the Medical Center's 62,190 outpatients were free patients. A sixth were welfare supported.

The State hospital had 3,538 patients during a recent week. Only 4.5 percent of them paid the full charge—\$90 a month. Only 15 percent made even partial payments. The remaining 80 percent were full charity patients. The belief that well-to-do patients seek private psychiatric hospitalization may lead to the claim that these figures do not give a true picture. But there are fewer than 200 private psychiatric beds in the State, with fewer than 20 psychiatrists.

Why does Arkansas have a higher poverty rate, at least statistically, than most other States?

Dr. Ethel Jones, economist with the University of Arkansas Industrial Research and Extension Center in Little Rock, outlined her ideas of Arkansas' traditionally low income and high poverty rate.

"We have been heavily dependent upon agriculture. It is a traditionally low income industry. But it produces a lot of people through a high birth rate.

"This puts pressure on the job market, and we are now faced with its (agriculture's) decline. It is a labor market type situation. There is a large supply of labor relative to opportunities."

The State's industry structure, she said, does not require a large number of skilled workers. "We have more of the type of in-



dustry that in general has lower earnings. Partly because of the skill combination, and also because they are located in areas of heavy labor supply."

Arkansas' geography—half hill land, half fertile delta—contributed to the situation. The hill farms were small and poor. The delta plantations were held by a few persons, but required large numbers of laborers. Poverty was endemic among the workers and the money was concentrated in the hands of the few.

Cotton, the traditional delta crop sold well enough—even before Government subsidies—to provide a satisfactory income for the large landowner. It was a low income crop for the sharecropper.

But such a crop as cotton was mandatory. It would keep forever, allowing its shipment to distant markets, unlike the high income farm commodities such as fresh vegetables and fruits which could be grown only close to market areas.

President Johnson in a commencement address in June said the objectives of the fight against poverty would be "to elevate our national life" and "advance the quality of American civilization."

Here are some Arkansans—a part of the present American civilization. You may know them:

June and James M. live in a four-room apartment off East Sixth Street in Little Rock. They have five children. James went through the sixth grade, June through the third.

When June came into the Salvation Army shelter on West Second Street recently, she was cleanly dressed. But June, at 34, could not get a job because, as she said, "I haven't got no education."

Her husband worked as "an employee of the pickle department" of a Little Rock packinghouse. But she explained to the social worker that \$42 a week doesn't go very far with a family of seven. And, anyway, last week's check had amounted to only \$37.50 because James had been sick. One of the children was also ill.

June needed money to pay the first 2 weeks

June needed money to pay the first 2 weeks' rent (\$11.50 a week) on the apartment they had just moved into. The water had also just been turned on, and was in immediate danger of being cut off. The gas had been cut on several days after they had moved in.

They came to Little Rock from Middle, Tenn., where James had failed at farming. They had been continuously on welfare. Jane's parents lived in Little Rock, and Arkansas held out more of a promise. So far, that promise had amounted to \$42 a week salary, the first weeks rent and \$12 worth of groceries bought by the Salvation Army.

Elizabeth F., a Negro near her 60's, lives alone in a shotgun house on Foster Street, just about in line with the landing pattern of the north-south runway of Adams Field. When it rains, the lot across from her house fills up with water, creating something of a lake for the ragged children that play in the street. When the lot is dry, the children play in abandoned refrigerators (doors removed) and scrapped washing machines that someone has dumped there. Some religious sect has strung across one end of the lot, on posts, a huge sign to greet (and unsettle) air travelers coming in to the landing field. It says "Prepare To Meet God." The sign is ragtaggle. It is not a very well kept neighborhood.

But by the standards of Foster Street, Elizabeth is an aristocrat. She lives alone and has an income of \$80 a month (\$960 a year).

The \$80 comes from a veterans pension. Her husband has been in the North Little Rock Veterans Administration Hospital for 17 years. Elizabeth pays \$25 a month rent, buys her groceries (largely vegetables and fruit) from a store around the corner. She

buys on credit and pays up when she can. "He carries me. He knows I'm going to pay him. I'm good for my debts."

"Eighty dollars is all I got in the world," Elizabeth laughed, half apologetically. But she was serious when she said, "I have debts. I just paid my gas bill. That was \$7 and my water bill. That was \$14. And I got more to come out. After that I'll be et up."

"I'm living tight. I'm afraid to spend 15 cents over what I just got to have," she said.

Elizabeth, the aristocrat of Foster Street, is an "unrelated individual" in Bureau of Census parlance. On the average, an unrelated individual is deemed to be poverty stricken when he has an income of less than \$2,000 a year.

Howard L., a 68-year-old Negro, is not as well off as Elizabeth. He's a retired section hand of the Missouri Pacific Lines. He gets no company pension. His entire income, except for a dollar here and there from odd jobs, comes from the State welfare department. He gets about \$64 for himself, and an additional \$69 for the 6 children who live with him and his wife.

"I don't have plenty," Howard said, "But I have enough." His diet consists largely of beans and on high days he gets his favorite meat—salt pork. "My teeth ain't good, and I can't get false teeth."

What does Howard do when he gets sick? "I just lay around home till I get well," he answered.

"There ain't no work for me. Nobody wants to hire a 68-year-old man," Howard said.

#### A DEFINITION OF POVERTY

The U.S. Bureau of Labor Statistics uses the following dividing lines in defining poverty: \$4,000 a year for a family of four, and \$2,000 for an individual living alone. All kinds of income are included, such as food grown and consumed on farms.

Poverty can also be defined in terms of those who are denied the minimal levels of health, housing, food, and education that our present stage of scientific knowledge specifies as necessary for life as it is now lived in the United States.

TABLE I.—The percentage of Arkansas families, by color, in each income bracket according to the 1960 census report

| Family income             | State total | White | Non-white |
|---------------------------|-------------|-------|-----------|
| Under \$1,000.....        | 14.2        | 10.7  | 30.7      |
| \$1,000 to \$1,999.....   | 18.3        | 15.7  | 30.4      |
| \$2,000 to \$2,999.....   | 15.2        | 14.6  | 18.4      |
| \$3,000 to \$3,999.....   | 12.7        | 13.4  | 9.5       |
| \$4,000 to \$4,999.....   | 10.3        | 11.5  | 4.8       |
| \$5,000 to \$5,999.....   | 8.6         | 9.9   | 2.4       |
| \$6,000 to \$6,999.....   | 6.1         | 7.1   | 1.4       |
| \$7,000 to \$7,999.....   | 4.2         | 4.9   | .8        |
| \$8,000 to \$8,999.....   | 3.0         | 3.6   | .6        |
| \$9,000 to \$9,999.....   | 1.9         | 2.2   | .3        |
| \$10,000 to \$14,999..... | 3.7         | 4.5   | .4        |
| \$15,000 to \$24,999..... | 1.2         | 1.5   | .1        |
| \$25,000 and over.....    | .5          | .6    | .1        |

TABLE II.—The percentage of 4-member families in Arkansas, by color, in each income bracket (husband-wife, 2 children under 18 years of age)

| Family income             | State total | White | Non-white |
|---------------------------|-------------|-------|-----------|
| Under \$1,000.....        | 4.4         | 3.3   | 21.0      |
| \$1,000 to \$1,999.....   | 9.0         | 7.8   | 27.4      |
| \$2,000 to \$2,999.....   | 13.1        | 12.4  | 23.6      |
| \$3,000 to \$3,999.....   | 15.2        | 15.3  | 13.2      |
| \$4,000 to \$4,999.....   | 14.9        | 15.5  | 6.5       |
| \$5,000 to \$5,999.....   | 13.7        | 14.4  | 2.8       |
| \$6,000 to \$6,999.....   | 9.6         | 10.1  | 1.8       |
| \$7,000 to \$7,999.....   | 6.2         | 6.6   | 1.3       |
| \$8,000 to \$8,999.....   | 4.5         | 4.8   | .9        |
| \$9,000 to \$9,999.....   | 2.5         | 2.6   | .8        |
| \$10,000 to \$14,999..... | 4.7         | 5.0   | .6        |
| \$15,000 to \$24,999..... | 1.7         | 1.8   | .1        |
| \$25,000 and over.....    | .5          | .6    | .1        |

TABLE III.—Income distribution among unrelated individuals, by color, in Arkansas

| Income                    | State total | White | Non-white |
|---------------------------|-------------|-------|-----------|
| Under \$1,000.....        | 60.6        | 55.6  | 75.4      |
| \$1,000 to \$1,999.....   | 18.7        | 20.2  | 14.5      |
| \$2,000 to \$2,999.....   | 8.4         | 9.2   | 6.0       |
| \$3,000 to \$3,999.....   | 5.2         | 6.2   | 2.4       |
| \$4,000 to \$4,999.....   | 2.8         | 3.4   | 1.1       |
| \$5,000 to \$5,999.....   | 1.6         | 2.1   | .2        |
| \$6,000 to \$6,999.....   | .9          | 1.2   | .1        |
| \$7,000 to \$7,999.....   | .5          | .7    | .1        |
| \$8,000 to \$8,999.....   | .3          | .3    | -----     |
| \$9,000 to \$9,999.....   | .2          | .2    | -----     |
| \$10,000 to \$14,999..... | .4          | .6    | -----     |
| \$15,000 to \$24,999..... | .1          | .2    | -----     |
| \$25,000 and over.....    | .1          | .2    | -----     |

Mr. FULBRIGHT. Mr. President, this bill is designed to help those people—and particularly those children who did not have the wisdom and foresight to be born of the right parents or in the right place. It is designed to provide opportunity, not charity. It is an investment in human beings. Its cost will be repaid in fruitful lives and in hard coin through income tax collections. It is all too plain that the unemployed and unemployable do not pay taxes, they eat them.

This proposed legislation is not perfect and there will undoubtedly be failings in its administration, for it deals with human deficiencies with long and deep roots which will not be immediately corrected. But, it provides a chance for people who are now outside the material and cultural prosperity of our country to find new opportunity and a new lease on life. Above all it is a chance for children who, without a special effort and without special help, will be lost to the America for the future as useful and productive citizens.

This bill is drawn for the child on the hill farm in the Ozarks, for his counterpart in the city slum, for the semiliterate middle-aged worker who faces the future without hope, and for disintegrating families which can, with help, become sources of stability and strength.

Mr. President, it is also a chance for those who prate about juvenile delinquency to do something about it. It is a chance for those who carp about welfare costs to strike at the conditions which necessitate them. And, it is a chance for those who want a strong America to strengthen its primary resource—its people.

Mr. President, I hope that the Senate will approve this proposed legislation.

Mr. McNAMARA. Mr. President, I yield back the remainder of my time on the amendment to the committee amendment of the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now been yielded back. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Ohio [Mr. LAUSCHE]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN] and the Senator from Utah [Mr. MOSS] are absent on official business.



I also announce that the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Indiana [Mr. BAYH] are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON], and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Indiana [Mr. BAYH], the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Utah [Mr. MOSS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent, and if present and voting would vote "yea."

The result was announced—yeas 49, nays 43, as follows:

[No. 478 Leg.]

#### YEAS—49

|           |               |                |
|-----------|---------------|----------------|
| Aiken     | Hickenlooper  | Prouty         |
| Allott    | Holland       | Ribicoff       |
| Beall     | Hruska        | Robertson      |
| Bennett   | Jackson       | Russell        |
| Boggs     | Javits        | Saltonstall    |
| Byrd, Va. | Jordan, N.C.  | Scott          |
| Carlson   | Jordan, Idaho | Simpson        |
| Case      | Keating       | Smith          |
| Church    | Kuchel        | Stennis        |
| Cooper    | Lausche       | Talmadge       |
| Cotton    | Magnuson      | Thurmond       |
| Curtis    | McClellan     | Tower          |
| Dirksen   | McChesney     | Walters        |
| Eastland  | Miller        | Williams, Del. |
| Ervin     | Morton        | Young, N. Dak. |
| Fong      | Mundt         |                |
| Goldwater | Pearson       |                |

#### NAYS—43

|              |           |                |
|--------------|-----------|----------------|
| Bartlett     | Hartke    | Morse          |
| Bible        | Hill      | Muskie         |
| Brewster     | Humphrey  | Nelson         |
| Burdick      | Inouye    | Neuberger      |
| Byrd, W. Va. | Johnston  | Pastore        |
| Cannon       | Long, Mo. | Pell           |
| Clark        | Long, La. | Proxmire       |
| Dodd         | Mansfield | Randolph       |
| Douglas      | McCarthy  | Smathers       |
| Edmondson    | McGee     | Sparkman       |
| Ellender     | McGovern  | Symington      |
| Fulbright    | McIntyre  | Williams, N.J. |
| Gore         | McNamara  | Young, Ohio    |
| Gruening     | Metcalf   |                |
| Hart         | Monroney  |                |

#### NOT VOTING—3

|          |         |            |
|----------|---------|------------|
| Anderson | Engle   | Moss       |
| Bayh     | Hayden  | Yarborough |
| Dominick | Kennedy |            |

So the amendment to the committee amendment of the Senator from Ohio [Mr. LAUSCHE] was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment to the committee amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. On page 20, line 22, in the committee amendment it is proposed to strike out the word "non-profit."

Mr. CLARK. Mr. President, the amendment is noncontroversial. It has been cleared with the Senator in charge of the bill. It has been cleared with representatives of the Johnson administration. It would merely make it possible for the Director to make a contract with an industrial corporation, if he saw fit to do so, which had some improvements or some methods of aiding in the fight against poverty. I hope that the Senator from Michigan will accept the amendment.

Mr. McNAMARA. Mr. President, I assume that the remarks made by the Senator from Pennsylvania are correct. I have no objection to accepting the amendment. Therefore, I move the adoption of the amendment of the Senator from Pennsylvania.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. CLARK. Mr. President, I yield back the remainder of my time.

Mr. McNAMARA. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Pennsylvania to the committee amendment.

The amendment to the amendment was agreed to.

Mr. HOLLAND. Mr. President, I offer an amendment for myself, the Senator from Ohio [Mr. LAUSCHE], the Senator from South Carolina [Mr. THURMOND], and the Senator from Wyoming [Mr. SIMPSON], and ask that it be made the pending business.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 72, at the end of section 209, in the committee amendment, it is proposed to insert the following:

(d) In carrying out the provisions of title I and title II of this Act no contract, agreement, grant, loan, or other assistance shall be made with or provided to any public agency unless a plan setting forth such purported contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the affected State, and such plan has not been disapproved by him within thirty (30) days of such submission or has been approved by such Governor.

Mr. HOLLAND. Mr. President, I shall not take long in explaining the amendment, because it has been previously presented in a different form. But I am strongly interested in it, and so are the other Senators who are cosponsors of the amendment.

The amendment is offered in a different form from the way in which a similar amendment was previously presented. The pending amendment applies to a different field. It applies to titles 1 and 2 entirely. It involves a different section; and provisions with reference to the Governor are a little different. But it would give to the Governor of each State the right to review by himself, or by any agency that he might designate, projects under either titles 1 or 2 of the bill, and would give him 30 days,

if he wanted that much time, to act upon them.

The amendment would provide that if the Governor had not acted within 30 days, the Director could proceed with the plan. It would provide that if he acted before 30 days, of course, the project could proceed immediately.

First, I wish to pay tribute to my distinguished colleague, who has already offered and had accepted two amendments which substantially deal with this field. The first amendment, which was offered yesterday and is now in the bill, applies to the so-called CCC camp locations in a State, and would give the Governors of the States the right to be consulted on such projects, and to veto them within 30 days if a Governor wished to do so.

The second amendment, which was offered today, and relates to community loans, applies only to private institutions. That amendment provides that before loans, contracts, or the like, may be made to private institutions within a State, the application must be submitted to the Governor; and the same 30-day period of action is allowed.

It seems to me that the Senate is left in a very unfortunate position. If we should take that action, we would recognize that the Governor had some interest at least in private institutions within his State, and we would give him the 30-day period to pass upon the projects; and at the same time we would take no similar action with reference to proposed loans, grants, contracts, or the like to public agencies, cities, counties, Grange districts, conservation districts, forestry boards, and other agencies within a State.

I feel very keenly on this question because, like the distinguished Senator from Massachusetts, I served at a time when, under the pressure of war, the National Government—and I prefer to think that it was because of the pressure of the war—attempted to impose upon the States many requirements and programs which would have bypassed the Governor, bypassed State action, and would have dealt directly with the lower levels of Government. We did have a long argument with the then administration—the administration of the late Franklin D. Roosevelt. He came to our point of view and decided that that was not the right way to approach the question. He took care of it by requiring that the Governors be informed and have an opportunity to act upon proposed questions affecting lower units of Government in the States.

I strongly feel that it is necessary to preserve that course in this bill, just as it is preserved in the Area Redevelopment Act. I can see no reason whatever why anybody need fear the imposition of this provision when it has worked so well in other cases, and when it shows a continuing disposition on the part of the Federal Government to recognize that States exist, that there is such a thing as the Governor speaking for his State, and when there are such things as States rights, and other things that our country has always recognized.



Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. RIBICOFF. I have listened during the day to some of my fellow former Governors on this issue. What concerns me as I have listened to the argument is this: We are all realistic and should realize that there are many situations in which the poverty program might be applicable to one city in an entire State. Often a situation could prevail in which the Governor and the legislature might be out of sympathy with the programs and problems of one city in a particular State.

Under those circumstances, if there were a city in need, a city with problems, with needed projects, and the Governor and the legislature were out of sympathy—even though the city needed such projects—under the proposal and the amendment offered by the distinguished Senator from Florida that city would not be able to qualify. The city would be deprived of what was necessary to salvage the future of that community.

Under those circumstances, I cannot agree with some of my fellow former Governors who have taken the position they have. This is a unique type of problem, especially when we find one major city in one State and the Governor of that State out of sympathy with the problems of that community. Under those circumstances the community should have a right to go to the Federal Government and present a project which comports with the desires and needs of the community, even though they may be inconsistent with the desires of the Governor.

Mr. HOLLAND. I appreciate the views of my esteemed colleague and former Governor, and a good one. I call attention to the fact that even under war conditions there was a unanimous vote of the Governors of the then 48 States that there was an attempted imposition on the rights of the States, and a unanimous vote of the 13 Governors, including the Senator from Massachusetts and the present speaker, who were members of the executive committee of the Governor's conference. That committee comprised seven of one party and six of another, and there was not a dissenting vote. We were strongly of the belief that the bypassing of the Governors of the States and the State interests in the matter were very hurtful and that problems would rise to plague us. Even in time of war we insisted that that course not be followed. It was abandoned, and I think it was abandoned to the good of the whole Nation.

May I say to my distinguished friend that the argument which he is making now would have applied just as directly to the area redevelopment program, because in my own State only a handful of counties were qualified—as I recall, 12 or 15 of the 67—to receive area redevelopment projects. The Governor established a special board to deal with the problem. I have never heard of any friction of any sort arising. Similar situations exist in other States.

It seems to me that if Congress—if the other House is so unwise as to fol-

low the course the Senate has taken up to now—is to say that it recognizes the right of Governors to be consulted when there is a contract to be made with private institutions such as colleges or private hospitals, and that he must be consulted and have 30 days' time to approve it—and I approved of that provision, because I thought it was worthwhile—a Governor should have an opportunity to consider the entire State and the developments in his State, and have a right to be considered, if there is to be dual jurisdiction. To say he is to be given that right, as he was by the vote of the Senate—I say it as one who voted for it—but to deny him the right to make a simple survey and decision on a proposed drainage or forest or municipal project of some kind would show extremely poor judgment and poor discrimination on the part of the Senate.

It is my feeling that there is nothing that would come nearer satisfying the several Senators whom I heard express themselves to the effect that here is a bill they can vote for in an experimental way than to recognize the right of a State and give the Governor an opportunity to act, just as he has been given under the area redevelopment program, and then to recognize the fact that there is a State government and a Governor elected by all the people of his State and answerable to them.

I cannot see why any former Governor should oppose this proposal. I say this with all respect to my distinguished friend from Connecticut, who had an experience such as we had during the war, when the Government tried far-reaching proposals to obtain speed and direct action. We speeded up processes to try to obtain action. Some of the processes were very offensive to the States.

There was a rule in the Governors' conference that action could not be taken except upon unanimous approval. We very strongly went to a vote on this question.

I see the Senator from Massachusetts [Mr. SALTONSTALL] now standing. When the Senator from Connecticut concludes his colloquy, I shall be glad to yield to the Senator from Massachusetts.

Mr. RIBICOFF. Mr. President, if the Senator will yield further, the reference that has been made by the Senator from Florida covers generally a series of problems affecting a State in its entirety.

Mr. HOLLAND. No; not entirely.

Mr. RIBICOFF. I think it will be found that generally more than one community was involved. When we talk about the poverty program we find that it will be "zeroed" in to affect one or a few areas of a particular State, most of which will be larger communities. We would be less than realistic if we did not realize that in many States it would apply to a large city. That statement does not apply to Connecticut, because there are many cities of the same size in Connecticut. Those of us who follow the political complexions and conflicts cannot but realize that there is often a conflict between a State government or a rural legislature and a city which has a large population; and that the Governor

of a State may not always be in sympathy with the problems that affect a single community. If we consider Chicago, New York, Los Angeles, or Detroit, I could pick State after State where the problems of one city are unique, where the problems that prevail in one city are different from the problems that prevail in most of the State. Suppose the mayor of a large city, supported by the common council, desired to undertake steps for participation in an antipoverty program.

Suppose the Governor of the State is out of sympathy with the needs of the city of New York or the city of Detroit or the city of Chicago and that he will not approve certain projects. It would be wrong for us to write into the bill a veto power for the Governor over a city's needs. It would be wrong to permit a mayor, who has been elected by all the voters of the city, and a common council or a board of aldermen to be checkmated by a Governor or a legislature.

It would be wrong for Congress to tie the hands of a city under its own charter, which can move in these fields, because basically these projects are designed to help the city with its problems and its troubles.

While I respect the experience and the point of view of the Senator from Florida, I believe that we are dealing with different problems, because the problems of poverty are largely separate and different in every State, and they are separate and different in different sections of the State. It would be wrong for Congress to foreclose any action that a big city might feel it might wish to take for its future just because the Governor might feel differently.

Mr. HOLLAND. I respect the opinion of the distinguished Senator from Connecticut. I remind him, first, that there is no question of subjecting this question to the will of the legislature. Everyone knows that there are States in which rural areas control great cities. However, the Governor is always answerable to all the people. He is elected by all the people. He is the man who is most interested in trying to reach the problems of poverty, which do not exist in all parts of the State.

Besides, we have a very real question with respect to the philosophy, and what type of government we have. Do we wish to bypass the State? Do we wish to ignore the State? Do we wish to ignore the Governor? Do we wish by our action to indicate that we have more sympathy for the Governor's control, let us say, over colleges—and certainly there is plenty of competition between privately owned and publicly held institutions—and do we wish to give him veto power in connection with applications from private colleges and not let him have the same sort of interest with reference to public agencies?

To do so, it seems to me, would be to put us in a horribly inconsistent position.

Now I gladly yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I thank the Senator from Florida for yielding to me. The junior Senator from Florida [Mr.



SMATHERS] provided in his amendment, which was adopted, that the Governor shall have at least 30 days in which to approve or disapprove of plans, and that if he has not done so, the plans shall go into effect.

That provision applies to any private or nonprofit or other private institution or organization.

What the amendment of the senior Senator from Florida would do would be to add the words "public agency" to the word "nonprofit." That is the purpose of the amendment.

I most respectfully disagree with the distinguished Senator from Connecticut, because the Governor of a State is vitally interested in every town and city in the State. If a city or town within the State wishes to go forward with some plan that the Governor does not approve, or does not come within the province of the Governor to approve, the community may have to put up some money, if the Director says that the community shall contribute, without the Governor being able to say yes or no and without consideration of the effect on the State as a whole.

I believe the amendment of the Senator from Florida is a very proper amendment. It should be added to the amendment of the junior Senator from Florida, because I believe it makes the situation whole, where it is not now whole, as to what the Governor can or cannot approve.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Massachusetts. Without the amendment the bill would leave the Director, to be named under the bill—and he would not be an elected officer—more powerful than the Governors of the respective States in the matter of passing upon important programs in public agencies within the State. I do not believe the Senate wishes to do that.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I have great admiration for the Senator from Connecticut [Mr. RIBICOFF], as he well knows. However, I am inclined to disagree with the proposal he makes. What he says presupposes that the Governor of a State would know less about the needs and necessities of a State than would the director of the programs, who would be thousands of miles away, as in the case of Wyoming.

Also, what the Senator argues tends toward divisiveness. It pits the Governor of a State against the Director with respect to matters within a State.

The Governor is in a position to know much better the things that are needed in his State. If he is not in sympathy with any particular section of the State, he should not be the Governor of the State. If a Governor is not sympathetic to one city in the State with respect to its needs, he certainly is not alert to his responsibility as Governor.

I respectfully submit that we are coming to a situation in which the proponents of the measure are indicating that they wish to have Federal control

of the States and cities, rather than to leave more of these problems to the province of the States.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. RIBICOFF. I have great respect for the Senator from Wyoming and the Senator from Massachusetts, both of whom I consider very close and good friends. They were great Governors, and they are great Senators.

I am trying to bring about a sense of realism. Let us name places. Those of us who follow government and who have followed government through the years are aware of the conflict between New York City, in many instances, and the Governor of New York State, no matter who the mayor of the city may be or who the Governor of the State may be. There have been differences of opinion. I believe that when it comes to a problem of poverty in New York City, it should be within the jurisdiction of the mayor of the city of New York, and not the Governor of New York State.

I do not believe that the Governor of New York State should be telling the city of New York how it should solve its poverty problems, which would affect only the city of New York, and not Syracuse, Rochester, Buffalo, or Oneida.

Consider the State of Illinois. Those of us who follow government are aware of the frequent conflict between Chicago and the Governor's office with respect to administration. What might affect the city of Chicago and its poverty problems and its deep social and economic problems would not necessarily have the same impact on the Governor or the rest of the State of Illinois.

If the mayor of Chicago or the Common Council of the City of Chicago believe they must find a solution to the economic and social problems of Chicago, I do not believe they should have their programs vetoed by the Governor of the State of Illinois, no matter who he may be, and no matter who the mayor of Chicago may be.

I would not be concerned about the State of Wyoming. I am sure that the Governor of Wyoming would look at Wyoming and treat every problem in the same way.

We are dealing with a different philosophy. In a sense we are dealing with problems that are not State problems, but problems which, time after time, are pinpointed into one community. The plans of the mayor and the common council should not be vetoed by the Governor of the State.

I am curious to have the reaction of a man who was the distinguished mayor of the great city of Philadelphia, and who is now a Senator from the State of Pennsylvania. I do not know what his problems were when he was mayor of Philadelphia, but I am convinced that when the distinguished Senator from Pennsylvania was mayor of Philadelphia, with all due respect to whoever the Governor was during his term of office, the Senator from Pennsylvania, as mayor, was better qualified to understand the problems of Philadelphia than was the Governor of the State, no matter how brilliant or how

fair the Governor of Pennsylvania might have been.

Since we are dealing with deep economic and social problems, it would be unfortunate if we allowed the Governor to veto the needs of a city.

Mr. HOLLAND. Mr. President, I call attention to something that I mentioned before, but which I feel must have been missed by Senators, judging by some later votes.

Under the heading "Community Action Programs" at pages 65 and 66 of the bill, there are enumerated four broad areas of power of the Director. Of course, we are granting such powers when we pass the bill. I have no objection to any of these four recitals.

However, at the top of page 66 there are some additional words—and I ask Senators to ponder these words—which read as follows:

The Director is authorized to prescribe such additional criteria for programs carried on under this part—

That is, this part of the bill—as he shall deem appropriate.

I do not know what he will deem appropriate. I hope we shall have an imaginative Director. I hope we shall have someone who will see problems which he thinks are over and above these four areas of power. We shall have some of them when we pass the bill. But if he acts in a field of that kind, now out of our knowledge, now unseen by us, shall we say that the Governor of the State shall have no right to review a program involving such a new and unpredicted matter, so far as the bill is concerned? I think it is particularly wise and necessary to give the Governor and the State government some recognition in this field.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from Tennessee.

Mr. GORE. I find the premise upon which the Senator proceeds and upon which other amendments have been offered today strange. I wonder why such a principle would not apply to the community facilities program, where renewal, and public housing. Why should Congress undertake to give to a Governor the power and responsibility of vetoing a project of a city or a State requiring financial assistance from the Government of the United States? This is a concept with which we have not complied heretofore in numerous Federal aid programs.

Mr. HOLLAND. But we have complied with it in the latest proposal in this field, the attempt to reach the poverty situation in communities where poverty exists. That is the Area Redevelopment Act. We did comply with it; and I believe wisely so. If there has been the first difficulty that has arisen because of that provision in the act, it certainly did not arise in my State; and I have not heard of its arising anywhere, whatsoever.

The point is: Are we going to recognize the fact that this Nation is composed of a sovereign Federal Government to act in Federal matters, and also of 50



sovereign State governments to act in State matters, with men at the head of State governments who have been elected by the whole body of the people of those States, who know something about the problems there, and not have any concern about them, particularly when we have already taken action twice in the bill, first, with reference to the work camps? In that respect, we have given the Governors the right to act or not act, to keep the camp out of his State if he wishes to. Second, we have acted with reference to applications for private institutions—colleges and the like—with which he has much less connection than he has with public agencies, as to which we have given him the same right.

How consistent is it for us to leave blank this field in which there will be more interest, perhaps, than in any other, namely, the matter of reaching into distressed rural areas or distressed urban areas with a State agency that can look at the problem very quickly and probably make many helpful suggestions, and then allow the approval to be given; or else, if the Governor does not approve it, allow 30 days to pass and permit the program to proceed anyway.

The philosophy mentioned by the Senator from Connecticut [Mr. RIBICOFF] and the Senator from Tennessee [Mr. GORE] would make the director, who would not be an elected officer at all, more powerful in those fields reaching into the poverty-stricken areas of the States, than the Governors of those States. To my mind, that is not a tolerable situation or a tolerable position for me to take as a Senator.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield again to the Senator from Tennessee.

Mr. GORE. With respect to programs in which the State provides matching funds, I think it is clearly proper and right for the executive authority of the Governor to be respected, and that it be effective. But with respect to projects that are entirely financed by the Federal Government—

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, I ask that the distinguished Senator from Michigan, who is in charge of the bill, allow additional time, because I was generous to the Senator from Connecticut and the Senator from Tennessee. I believe that, appropriately, their time should come out of the time of the opposition.

Mr. McNAMARA. I shall yield whatever time is necessary for the Senator from Tennessee, if he will first let me make a comment.

The philosophy behind the bill is to place the control of the situation, so far as the alleviation of the impoverished people is concerned at the lowest possible level of government. The assumption is that the government level closest to the people understands the problems best.

The amendment of the Senator from Florida would establish bureaucratic control above the local or State officials, offi-

cial who are just as much elected as are Governors but who are closer to the problems, more familiar with the required solution, and more familiar with the necessity for doing something to eliminate them, in the first place, than Governors are likely to be.

I now yield 5 minutes to the Senator from Tennessee.

Mr. HOLLAND. I hope the Senator will yield time to me.

Mr. McNAMARA. Let us not have it yielded all at once. I understand that the Senator from Tennessee is conducting a colloquy with the Senator from Florida.

Mr. HOLLAND. The Senator from Michigan first yielded to me, so that—

Mr. McNAMARA. No. I have yielded to the Senator from Tennessee. If the colloquy is to be continued, it does not make any difference to whom the time is yielded.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. GORE. Mr. President, I yield to the Senator from Florida.

Mr. HOLLAND. I thank the Senator from Tennessee for being a little more generous than the Senator who is handling the bill. I appreciate his courtesy.

Mr. GORE. I think the Senator from Michigan has been generous to both of us. It was I who had used the time.

I was about to say that in programs in which the contractual relationship is between the Federal Government and the municipality or a county or regional organization, I see no justification for interposing the power of the Governor to veto. This is not wise. This is not a practice that has been followed. I see no necessity for starting it now.

It may well be that there will be a mayor of a city or a city council, selected by the overwhelming approval of the people of that city, who will apply for assistance from the Federal Government in a program to bring about better education, training, or community development of facilities. A Governor might not be so familiar with the problem. Indeed, one can conceive of the possibility that a Governor would not even be sympathetic. Yet by this amendment it is proposed to give the Governor power to veto a possible contractual relationship between the Federal Government and a municipality for a program to accomplish the needs and objectives of the pending bill.

I ask the Senator from Florida on what basis of wisdom and logic he arrives at his proposal.

Mr. HOLLAND. I am glad to answer the Senator from Tennessee. The Senator is an expert on the Federal aid highway system.

Mr. GORE. That involves matching funds.

Mr. HOLLAND. The Senator knows perfectly well that even on the 90-10 matching basis, a large measure of control is left to the State road departments, whose members are appointed or named by the Governors.

Under the Hill-Burton Act, a State agency accepts funds for the State and then parcels them out and recommends

how they shall be used. That system has worked satisfactorily in my State for a long time.

With respect to the improvement of rivers and harbors, some of them completely financed by Federal sources, some with a requirement for local grants, there has been a requirement for a long time that such proposals for improvements must be referred to the Governor for his approval or disapproval, and a fixed period of time must elapse before any action can be taken.

So there is no lack of precedent in this field. To the contrary, the precedents are overwhelming in favor of the recognition of State governments.

Let me say to the distinguished Senator that having had the honor to serve in that capacity, and also on the governing board of the National Conference of Governors, I know that that is one of the things which have worked most smoothly in cooperation between State and Federal Government on matters of vast importance, in which either the Governor or an agency appointed by him has been the responsible factor within the State to handle specific programs.

Mr. GORE. The Senator has referred to two programs—namely, the highway program, in which the Federal Government provides funds to match the funds of a State to accomplish a program which is mutually a Federal and a State undertaking. He referred also to projects under the direction of the Corps of Engineers, which projects are, as he correctly states, submitted to the Governor for a period of time on which the Governor can make a report of approval or disapproval. But, it is only a report. He does not have the power of veto.

Mr. HOLLAND. Congress has the power to veto.

Mr. GORE. Congress does have the power to veto.

Mr. HOLLAND. Congress does veto.

Mr. GORE. Yes, but the Senator's amendment to the committee amendment would have Congress give the Governor of a State the power of veto.

Mr. HOLLAND. That is what he has under the Area Redevelopment Administration.

Mr. GORE. I am sorry, but I do not believe that to be the case.

Mr. HOLLAND. That is my understanding.

Mr. GORE. I am advised that that is not the case.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield to the Senator from Connecticut.

Mr. RIBICOFF. Is it not true that when we talk about the highway program and Federal matching funds, invariably we have a situation in which the needs of a State are much greater than the allocation of funds that come from the Federal Government. Therefore, there is a question of who should settle the priorities of how the matching funds will be spent. Consequently, this is something within the jurisdiction of the Governor, because it usually affects the highway system of an entire State, which affects State and interstate roads.



Mr. GORE. If I may interrupt—plus this fact: Highways are State and Federal.

Mr. RIBICOFF. The Senator is correct.

Mr. GORE. Streets are municipal.

Mr. RIBICOFF. Invariably, streets are municipal. From my own experience in my own State of Connecticut, no Federal funds go into city streets. But I do know that the demands for roads are so great that it was always one of the most burdensome tasks that a Governor had to allocate the limited amount of funds, no matter how large, to try to be fair to the State.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McNAMARA. Mr. President, since the Senator from Florida has been so generous with his time in relation to the opposition, I shall be glad to yield to the Senator from Florida to reply. How much time does the Senator from Florida desire?

Mr. HOLLAND. Five minutes.

Mr. McNAMARA. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. I had the honor, as the Senator probably remembers, to serve as Governor of my State during World War II. There were 126 military bases in my State. Many highways were built entirely by Federal funds. There was not one case in which the Federal Government built such a highway without first consulting the Governor, or the Governor's office, and the State roads department, as to the best possible location of any road and any suggestions that we had to offer. Those roads were all built, to the extent of 100 cents of every dollar, by the Federal Government in time of war. It did not prove to be difficult to cooperate with the Federal Government. It is obvious that the Governor and the State highway department must have a better idea of the permanent needs of his State. We all hoped that the war would not last forever, and of course we hoped that the roads would. Some of those roads are still in good condition. So that entrusting some responsibility to the Governor's office on such occasions as these is not a new thing, but is accepted practice under Federal-State relationships.

Mr. GORE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. GORE. The distinguished Senator has described a program of consultation. He has not described one in which the Governor had a veto over a Federal undertaking. The bill provides consultation, but the Senator's amendment provides for a veto.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from West Virginia.

Mr. RANDOLPH. I esteem the Senator from Florida but I feel that his amendment is not in the interest of proper and equitable contractual agreement.

Since we have mentioned the Federal aid highway program, I believe that we should have the RECORD reflect that in the Federal aid to airports program, the Federal Government and the municipalities deal directly one with the other. There is a matching of funds to construct federally approved airports, but there is no veto given to the State Governor. There is no necessity for the Federal Government to go to the State government in the matter of construction of airports which serve the interstate operations of air carriers. The reasoning of my cherished colleague, the Senator from Florida [Mr. HOLLAND], cannot be sustained, in my opinion, and I join the vigorous opponents to the amendment; namely, Senators GORE, RIBICOFF, and CLARK.

The power advocated here for a Governor of a State to veto a program desired by a city is not founded in fact.

Mr. HOLLAND. In reply to the Senator, let me say that of course the aviation of the country is controlled at the Federal level. Licenses to operate airplanes are granted to individuals by the Federal Government. Licenses to operate routes, to set schedules, the approval of rates, and the control of flying operations, all are under the control of Federal officials.

I believe that is materially different from the matter of allocating poverty directed programs in a State where the Governor conceivably will know at least as much, and I believe a good deal more about what parts of his State are poverty stricken, and what kinds of relief would be effective in various portions thereof.

I thank the Senator for yielding to me.

Mr. GORE. Has the Senator from Florida used all his time? Does the Senator yield to me for a further question?

Mr. HOLLAND. I am glad to yield, if I have time.

Mr. GORE. I wish to point to only one further example. All of us have been anxious to pass the bill to extend Federal aid to impacted school districts. Some States have many—all States I believe have one or more. The relationship is directly between the Federal Government and the school district which has the impacted conditions. This is only one more instance in which the relationship between the Federal Government and the local community can flow to the public good without the intervention of a Governor's veto.

Mr. CLARK. Mr. President, will the Senator from Michigan allow me some time?

Mr. McNAMARA. I am glad to yield some time to the Senator from Pennsylvania. Does the Senator desire about 3 minutes?

Mr. CLARK. Three minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. CLARK. Mr. President, I rise on behalf of the mayors of America. I used to be one. So did the able majority whip. So did the able junior Senator from New Hampshire. So did the able Senator from Indiana [Mr. HARTKE].

The Senator from Ohio says, "What about me?" We know that there is a conflict of interest in this regard because he was once a mayor but he was later also a Governor. I am not prepared to say how he would react in this matter. For that reason I have excluded him from my computation, just as the Senator from Florida excluded the former able Governor from Maine.

I commend the Senator from Connecticut for the able presentation he has made of the conflict which is inherent in American politics—as every Senator in the Chamber knows—between the mayors of the great cities of America where the poor are located, and where the money will be spent to eradicate poverty. The Governors of many States—not all States—certainly not Connecticut—are involved in such conflicts. I do not charge Florida, I do not charge Mississippi, I do not charge Alabama—I do not charge any State, because I wish to stay well within the rules of the Senate, but it is perfectly obvious that the place where the money must go is in large part to the big cities of America.

I had the unhappy experience of serving as mayor of Philadelphia for 3 years when there was an unsympathetic Governor in Harrisburg. My friend David Lawrence, who is also the friend of many other Senators, was mayor of Pittsburgh at the same time, and he had the same problems I had with the then Governor of Pennsylvania.

There is a conflict between the rural area, which is all too often the area to which the Governor looks because he needs his legislature and the great urban areas where the problems of poverty exist. I believe that the Senate made a mistake earlier today when it adopted an amendment, to some extent putting a Governor in the situation in which he could veto a Federal program. There is no veto in the Area Redevelopment Administration bill with respect to the Governor.

The urban renewal program, the Community Facilities Act, and a host of other programs—the most successful programs in terms of welfare in which the Federal Government participates—go right from the President and Congress to the mayors of cities, and, in this instance, the county commissioners, as well.

I hope very much that the amendment will be defeated.

Mr. CHURCH. Mr. President, will the Senator yield 3 minutes to me?

Mr. McNAMARA. I yield 3 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 3 minutes.

Mr. CHURCH. I wish to say a word or two about the debate that has taken place on the floor of the Senate this afternoon.

I commend the Senator from Tennessee for his searching questions. I think they brought out the fact that there is no present Federal program, which is not a matching program, in which the Governor of a State is given the power of veto. Now we are undertaking, with the adoption of the Smathers amendment today, the first step toward establish-



ing a precedent with respect to a wholly federally financed program directed toward the problem of poverty which plagues the Nation and has no respect for State boundaries.

As the Senator from Pennsylvania [Mr. CLARK] pointed out, poverty tends to be concentrated in the urban centers of America, where the outlook may be quite different from that which dominates the decisions of State government. We are taking a new step in giving, for the first time, in a wholly financed Federal program, veto powers to the Governors of the various States. But we are doing more than that. We are conferring upon the Governors a power of control over a Federal program that is greater than the power that the Governors themselves enjoy with respect to State action of their own governments. The veto that we have already approved, in part, and that we are now asked to extend, is an unlimited veto. Show me the State where any State constitution confers upon its chief executive the power of unlimited veto.

There are some States, indeed, where the Governor has no veto at all. But I know of none where the legislature cannot override the Governor's veto, where programs of the State government are concerned. Nor do I know of any where the Governor can veto the decision of the city governments.

So we are establishing a new precedent in which we confer upon the Governors, in the name of State rights, not only something which we have never given them before, but a power beyond that which they enjoy within their own State governments.

This is a very risky precedent. Very little thought is being given to it. Once we do it, we shall be asked to do it again. I think this is unfortunate. This is not a legitimate application of the doctrine of State rights. This is a mischievous and unprecedented application—a usurpation of the right of Congress to decide how Federal money should be spent, by subjecting our decision to the veto of 50 Governors. I hope the amendment of the Senator from Florida will be defeated.

Mr. HOLLAND. Mr. President, will the Senator yield 2 minutes to me?

Mr. McNAMARA. I yield.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Senators in their zeal for their cause forget a great many things. One of those things is selective service. The Governors are made the sole agency of the U.S. Government within the respective States for the administration of selective service. They are wholly responsible for it.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I am glad to yield. But I have administered the selective service, and I know something about it.

Mr. CLARK. How about the local draft boards?

Mr. HOLLAND. The local draft

boards are appointed by the Governor. They are answerable to him. The Governors of States are entrusted with the responsibility for putting on a decent performance under selective service in their States. If there is anything more important, if there is anything more impressive from the standpoint of recognizing States' rights than the matter of conferring upon the Governor the direct responsibility of setting up and administering selective service I do not know what it could be.

Several Senators addressed the Chair. The PRESIDING OFFICER. Does the Senator from Florida yield, and if so, to whom?

Mr. HOLLAND. I yield first to the Senator from Idaho.

Mr. CHURCH. I should like to ask the Senator if there is not a great difference between the placing of administrative responsibility upon the Governor and giving him a veto power? Under the selective service, a Governor is not given the power to veto the draft in his State. That is the issue now before the Senate.

Mr. HOLLAND. The Governor is given the power to decide who should head the administration. One man had been named by my predecessor to administer the law. When I came in, I named the adjutant general to replace him. Various officials had to be replaced. The entire administration had to be reviewed in each county where the departments are located. Those were things for the Governor to decide. When it came to appeals, the people had a right to appeal, but the original decisions were made by the representatives of the Governor.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. McNAMARA. Mr. President, I yield back the the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida [Mr. HOLLAND] to the committee amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from California [Mr. ENGLE] and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent, and if present and voting, would vote "yea."

The result was announced—yeas 46, nays 49, as follows:

[No. 479 Leg.]

YEAS—46

Aiken  
Allott  
Beall  
Bennett  
Boggs  
Byrd, Va.  
Carlson  
Case  
Cotton  
Curtis  
Dirksen  
Eastland  
Ellender  
Ervin  
Fong  
Goldwater

Gruening  
Hickenlooper  
Hill  
Holland  
Hruska  
Jordan, N.C.  
Jordan, Idaho  
Keating  
Lausche  
McClellan  
Mechem  
Miller  
Morton  
Mundt  
Pearson  
Prouty

Robertson  
Russell  
Saltonstall  
Scott  
Simpson  
Smith  
Sparkman  
Stennis  
Talmadge  
Thurmond  
Tower  
Walters  
Williams, Del.  
Young, N. Dak.

NAYS—49

Bartlett  
Bayh  
Bible  
Brewster  
Burdick  
Byrd, W. Va.  
Cannon  
Church  
Clark  
Cooper  
Dodd  
Douglas  
Edmondson  
Fulbright  
Gore  
Hart  
Hartke

Hayden  
Humphrey  
Inouye  
Jackson  
Javits  
Johnston  
Kuchel  
Long, Mo.  
Long, La.  
Magnuson  
Mansfield  
McCarthy  
McGee  
McGovern  
McIntyre  
McNamara  
Metcalf

Monroney  
Morse  
Moss  
Muskie  
Nelson  
Neuberger  
Pastore  
Pell  
Proxmire  
Randolph  
Ribicoff  
Smathers  
Symington  
Williams, N.J.  
Young, Ohio

NOT VOTING—5

Anderson  
Dominick

Engle  
Kennedy

Yarborough

So Mr. HOLLAND's amendment to the committee amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment to the amendment was rejected.

Mr. McNAMARA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUSCHE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 88, line 6, in the committee amendment, it is proposed that the figure "\$50,000,000" be stricken and that there be inserted in lieu thereof the figure "\$25,000,000."

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, I shall be brief. In my opinion, the amendment which I have sent to the desk has become necessary because of two previous actions taken by the Senate this afternoon with relation to title 3 of the bill.

The first action was in connection with an amendment offered by the Senator from Minnesota, which eliminated from the bill the \$1,500 grant provision to farmowners.

The second change came from the adoption of my amendment, which eliminated from the bill the program under which corporations would be formed to buy land and improve the land with fences, houses, water supplies, farm buildings, and otherwise.

On page 88 of the bill, \$50 million is proposed to be authorized for the financing of the three programs.



First, is the \$1,500 grant to individual farmers; second, the private corporation loans to gather land and distribute it; and, third, the program providing money to cooperatives to serve farmers in different communities.

Two of those provisions have been stricken from the bill. The bill still contains the \$50 million authorization which was contemplated for the three programs. My amendment would reduce that \$50 million to \$25 million. The \$25 million would be available, first, for loans; second, for aid to the cooperatives in the communities—

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. McNAMARA. The figure that was eliminated by the previous amendment was approximately \$15 million. If the Senator will amend the figure to \$35 million, we shall be willing to take it.

Mr. LAUSCHE. Fifteen million dollars is provided for the third phase of this program:

The director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

On page 88, \$15 million is earmarked for the program to help local cooperatives. The other \$35 million was intended for the two programs that have been eliminated. I am suggesting that \$25 million of the \$50 million is a fair amount. I believe the Senator ought to take the amendment.

Mr. McNAMARA. We cannot take it because the Senator's mathematics do not seem to jibe. We will go along if the Senator will make it \$35 million and take out the \$15 million. That seems to be the proper figure.

Mr. HUMPHREY. Mr. President, if the Senator will yield, the amendment offered by the Senator from Ohio related to the family farm cooperatives, and the amount incorporated for that purpose was approximately \$15 million. The word "grants" was changed to "loans," but the same amount of money is necessary, even though it is loans. The totals are not changed so far as that section is concerned.

Mr. LAUSCHE. The Senator is correcting me in such a manner that the premise for his correction is not sound. I merely wanted to point out that there was not \$15 million allocated to finance the phase of the program which was eliminated; \$50 million was allocated for three programs, \$15 million for the cooperatives, and \$35 million for the other two.

Mr. HUMPHREY. And of the other two \$15 million of the \$35 million was allocated for the agency.

Mr. LAUSCHE. No.

Mr. HUMPHREY. It is in the bill.

Mr. LAUSCHE. Where is it in the bill?

Mr. HUMPHREY. The language of the bill on page 88 is, "for the purpose of carrying out this title," which includes sections 302 and 303. The amount provided was \$50 million. The part of the bill I amended was merely to change the concept from grants to

loans. The amount is not changed. The part eliminated by the amendment of the Senator from Ohio, regrettably, was section 303. The estimate by the agency to carry out that title was \$15 million.

Mr. LAUSCHE. I do not want to quibble, but I want the Senator from Minnesota to read to me from the bill where it is provided that \$15 million must be used for the program.

Make it \$30 million and I will accept it.

Mr. HUMPHREY. Make it \$35 million.

Mr. LAUSCHE. Thirty million dollars and we will settle.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. McNAMARA. Mr. President, I move to amend the amendment of the Senator from Ohio by striking out "\$50,000,000" and making it "\$35,000,000", in line 6, on page 88.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. McNAMARA. I yield back my time.

Mr. LAUSCHE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan as a substitute for the amendment offered by the Senator from Ohio.

The amendment to the amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Ohio, as amended by the amendment offered by the Senator from Michigan, to the committee amendment.

The amendment, as amended, to the committee amendment was agreed to.

Mr. PROUTY. Mr. President, I call up my amendment (No. 1131) to the committee amendment.

The PRESIDING OFFICER. The amendment to the committee amendment offered by the Senator from Vermont [Mr. PROUTY] will be stated.

The LEGISLATIVE CLERK. It is proposed as follows:

On page 47, lines 15 and 16, strike out "conservation camps and".

On page 47, line 18, beginning with the comma strike out through line 6 on page 48 and insert in lieu thereof a semicolon.

On page 53, between lines 4 and 5, insert the following:

"EXCLUSION OF FEDERAL CONSERVATION CAMPS  
"SEC. 107. The provisions of this part shall not be deemed to authorize the establishment or operation by any Federal agency of conservation camps."

On page 53, line 6, strike out "107" and insert in lieu thereof "108".

Mr. PROUTY. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The yeas and nays were ordered.

Mr. PROUTY. Mr. President, this amendment concerns the Job Corps in part A of title I of the pending bill, S. 2642.

Part A of this bill is largely a rewrite of the Youth Conservation Corps bill known as S. 1 of the last session of this Congress. That bill was narrowly passed by the Senate, and has been pigeonholed in the House since last year. It is,

also largely a resurrection of the old CCC camp program of the thirties.

Part A of the pending bill, however, contains one addition which the old S. 1 did not contain. That is the inclusion of "training centers" in the present part A. As part A is now worded, it provides for "conservation camps," which have been discussed among us for the past several years sufficiently so I think there is little doubt about the kind of thing envisioned by that term.

Part A also, however, includes a relatively new concept known as "training centers," which, according to the hearings, would most probably be established in former military bases which no longer are needed by the military.

Mr. Shriver's testimony points out that the training centers are oriented more to education and training of enrollees for participation in the labor force after they return from camp. On the other hand, the conservation camps which cost almost twice as much per man would concentrate on "work" of a conservation type, with minimal education and training opportunities. They would not then, in the words of Secretary Wirtz "qualify one of the enrollees for a skilled occupation. That we should dismiss completely."

In addition to the testimony of Secretary Wirtz, the committee last year heard considerable testimony from State officials who run similar conservation programs in their States. Mr. Richard Farrow, who is director of the Pennsylvania Bureau of Youth Services, when asked whether these boys are unskilled when they leave the camps replied:

By and large, yes. A few of them, who might work as unskilled workers might get what would be called beginning skills. They are not journeymen by any means.

This year, Mr. Green and Mr. Grauer, both of the California Department of Employment and Forestry are especially concerned over the conservation camp program because, although the program is designed for school dropouts the camps themselves suffer severely from dropouts. The following quote from an article in the Washington Post of May 19, is important:

During the first 6 months of the program at the Oak Glen Forestry Youth Camp, 101 of the 194 youths enrolled have dropped out. Of the remaining 93, a group of 11 completed the full 6-month course.

Mr. President, I can see some merit in these training centers as they have been described by Mr. Shriver and others in our hearings on this bill. Last year I could not see any justification for the Youth Conservation Corps, and apparently a majority of the House of Representatives, and a very respectable minority in the Senate agreed with that view.

During the hearings on this pending bill, Mr. Shriver agreed that \$4,700 was an average expenditure per man in the Jobs Corps section; that is, an average of the costs per man of the conservation camps when considered with the in-town training centers. Thus, the training center costs would be considerably less than this \$4,700 per man, because last year in the hearings on S. 1 it was pointed out that in 1961 the Departments of Ag-



riculture and Interior had estimated the costs for the conservation camps to range from more than \$12,000 per man for a 25-unit camp. These figures are as follows:

A 25-man unit would cost \$12,297 per boy.

A 50-man unit would cost \$9,016 per boy.

A 100-man unit would cost \$8,263 per boy.

Mr. President, during the exhaustive hearings on S. 1 last year, and during the short hearings we have held on the pending bill, there is a glaring lack of justification for the formation of these conservation camps in part A. In addition to being of no help to enrollees to prepare for entrance into the labor market, there is not a single word in the job corps section which relates the program to poverty. The only thing of significance in the section is the requirement that enrollees must be certified as no longer able to profit from school attendance in his community. In other words, the conservation camp program is designed for school dropouts and incorrigibles whom local school boards do not want to bother with anymore.

Mr. President, I am not saying that school dropouts and incorrigibles should not be helped. I am saying, however, that such a program should not be disguised as a help to the poor. There is not a single word in this section of the pending bill which relates to the poor.

I have therefore offered the pending amendment. My amendment removes from the bill the provisions which permit the establishment of these conservation camps. They are admittedly of no value in training boys for entry into the labor market. They are admittedly the most expensive of any programs offered to the Congress in this bill, and they are admittedly the least beneficial parts of the program. Further, and what is most important, these conservation camps have very little to do with assistance to the poor, and an unjustified program should not be put in this bill to get a free ride to passage at the expense of the poor.

My amendment does not reduce the money authorized for the entire poverty program. The pending bill itself does not allocate specific sums to this or any other part, but rather lumps authorizations by title. Hence, the money otherwise to be spent on these conservation camps could, with the adoption of my amendment, be used for constructive work among the poor through other titles and parts of this bill.

Mr. President, I have prepared a little comparison between the Manpower Development and Training Act, the Vocational Education Act, and the conservation camps provision of this bill. The Manpower Development and Training Act and vocational education are very worthwhile and good programs to help our young people prepare for their working years. Yet, their cost per man is less than one-quarter of the expense of this conservation camp program.

I ask unanimous consent that this chart may be included in the RECORD at this point in my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

*Comparison of allowances and benefits under various Federal programs<sup>1</sup>*

|                                | Manpower Development and Training Act                                   | Vocational education                                                                                                                                                                                                  | Job Corps                                                                                                                                                             |
|--------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Monthly payments to enrollees. | \$80 per month                                                          | Not over \$45 per month or \$350 per academic year, but if the school is not within a reasonable commuting distance from the student's home, the compensation can be up to \$60 per month or \$500 per academic year. | \$50 per month (plus \$50 per month for readjustment and a possible matching \$25 per month if the enrollee gives \$25 of his readjustment allowance to a dependent). |
| Medical                        | None (can pay accident insurance if it is a local school board policy). | None                                                                                                                                                                                                                  | Furnish, or arrange for the furnishing of, health services.                                                                                                           |

<sup>1</sup> These figures will apply to the age group 16 through 21.

NOTE.—Under the Manpower Development and Training Act program the enrollees 16 through 21 are allowed \$80 per month, and those over 21 are paid an amount equal to the unemployment compensation of that State. To be eligible for this larger allowance, 4 criteria must be met: (a) over 21; (b) have been a member of the labor force 2 or more years; (c) head of household; and (d) be unemployed.

Those who don't meet all of these criteria can still be trained, without the allowance. Age 17 is the lower limit of the Manpower Development and Training Act program.

States can pay up to \$10 per week over the unemployment compensation figure in that State after the 10th week of training.

Mr. PROUTY. Mr. President, the pending amendment does not reduce the funds authorized in the bill to help the poor. It does remove a highly wasteful program from the bill so that funds could be diverted to other worthwhile, valuable programs which will have an appreciable and good effect on the poor and the disadvantaged. Indeed, it will provide larger sums to send other boys and girls in far larger numbers to the training centers where Mr. Shriver has described the education and training programs to be of much greater value to these young people.

Mr. President, last year a list of the camps was inserted in the CONGRESSIONAL RECORD. It was a list of camps which were purported to be available within a 30-day period, or within a relatively short period of time.

I checked that list very carefully last year and found that some of the camps were not even in existence. I asked Mr. Shriver this year if he would indicate where the camps were located and how soon they would be available.

As I recall, during the hearings he said that a hundred camps would be available in short order. However, he submitted a list, which is not a very long list, but it is headed:

There are no camps on Federal lands which are at the present time available for immediate occupation for the Job Corps. There follows a list of available campsites which can be opened in periods ranging from 1 month to 1 year.

I believe we would find that very few, if any, of the camps would be ready within a month, and that most of them would require a much longer period before they could be used for this purpose.

I am favor of the training centers. They may serve a useful purpose, although they are duplicating some of our other efforts under the vocational education programs. For example, we have already authorized pilot projects. The Committee on Labor and Public Wel-

fare in the House and the Senate Committee also last year agreed that it was worth an experiment. However, these are only pilot programs.

Now we are not even allowed to pause to see how they would work. Instead of that, we are asked to provide funds for what is said will be 40,000 people, at a cost of \$190 million this year.

The conservation camp part of the program, in my judgment, would not train any boy or girl for a useful occupation of any kind. A boy would not acquire any skill. He would acquire absolutely nothing that he did not possess when he entered the camp. We would find that many of them would return to the city streets and be more disillusioned than ever, and that jobs would not be available to them, because they would have acquired no skills.

Mr. TOWER. Mr. President, will the Senator yield me 5 minutes?

Mr. PROUTY. I yield 5 minutes to the Senator from Texas.

Mr. TOWER. I commend the Senator from Vermont for offering his very constructive amendment. He has pointed up something that is manifest. I should like to note that Mr. Conrad Wirth, who was the director of the National Park Service, and who was very closely associated with the CCC camps as a member of its advisory committee, and as the man who directed all of its functions related to the Department of the Interior and to the national parks, related in testimony before the committee in the 86th Congress, on S. 812, what happened in Yellowstone Park. He said:

We had one camp in Yellowstone that came from the Bronx, N.Y. It was a 200-man camp. The camp had been back in the remote section of Yellowstone for barely 2 weeks, when the superintendent got a call for help from the camp commander, who was a Reserve officer in the Army. He had a riot on his hands.

The superintendent sent some rangers in to help the commanding officer and in short



order they had the boys quieted down again. The investigation routed out about 19 boys and they were shipped back to the Bronx.

The only thing they could get out of these boys was that they just could not stand the quiet nights and the coyotes howling and a few things of that kind.

It is funny, but it is pathetic. They had to get back to the concrete, the noise, the subways, and so forth, because that was their way of life.

This indicates the type of problems that will be faced when a Job Corps is established. Taking boys off the city streets, out of their environment, and expecting them to adjust to a new life will not adjust them to anything. They may suffer from maladjustment. They will be nonhigh school graduates, except in unusual cases, and they will not be accepted for enrollment unless the school authorities certify that they can do absolutely nothing with them.

It has been said by the Senator from Vermont that these boys will acquire nothing in the camps. It is conceivable that they may acquire a stigma by attending the camps. When the Committee on Labor and Public Welfare took testimony last year on S. 1, the Youth Conservation Corps bill, which is the same thing as the Job Corps proposal, Mr. Bernstein, who is the counsel for the minority of the committee, made the comment:

I had the fortune or misfortune in the thirties of being attached to the corporation counsel's office in New York, attached to the department of welfare, with one of the biggest relief loads in the country. It was common talk among the personnel that these young people who had spent time in CCC had greater difficulty getting jobs than those who had not, that there was a stigma attached to having been in the CCC, as if they had come from reform school.

Mr. Conrad Wirth, Director of the National Park Service, whom I quoted a moment ago, said:

The minority counsel's recollection, I am sure, is correct.

There was an admission. All any prospective employer has to do is to read the bill, then see if the applicant has a record of having been in one of the Job Corps camps, and ascertain if he is a person who was not trainable in school; if he is a misfit, someone who cannot be trained by normal academic or vocational methods; and he will probably not hire him.

More men left the old CCC camp by desertion and for disciplinary reasons that left to accept new jobs. This is an admission of failure, and raises several questions that have been left unanswered.

What kind of training would be provided in the Job Corps camps, in view of the type of jobs that are open and available today?

Indeed, there are jobs that are crying for people to fill them; but they are jobs that are the result of the age of technology. The proposed camps could not prepare for those kinds of jobs the types of boys who would attend the camps.

What would be the size and the range of the camps? That is not spelled out.

How could a small camp accommodate the appropriate training facilities?

What kind of work would girls do? Where would they be put? How would they be taught? There is no requirement that either girls or boys who are accepted be of sound moral character.

This is the most useless aspect of the bill. I hope that the Senate will accept the very good amendment offered by the Senator from Vermont.

Mr. PROUTY. Mr. President, I am grateful for the valuable contribution made by the Senator from Texas. I remember vividly the testimony of Mr. Wirtz when he appeared before our committee last year.

I should like to quote from the testimony of Dr. Urie Bronfenbrenner, a distinguished social psychologist and professor in the departments of psychology and of child development and family relationships at Cornell University. Dr. Bronfenbrenner favored a job corps as a possible means of helping a limited number of young men, but he stated also that the job corps concept "does not hit at the heart of the matter." He said:

Unless the young person is trained in a job which his home community can use, unless he has learned patterns of social and civic behavior which are appropriate to that community, and unless that community is prepared to accept him in a new and more positive role, the young person will return only to be pushed back into the part in which he was formerly cast—the social misfit.

In my judgment, if the CCC camps would contribute anything of value, and if half the boys who might enter them were to receive some benefits from them, I would support the program.

I am not proposing to cut the funds for training centers or for part A. I am leaving the funds at the same figure at which they now are, which is certainly high enough. It will mean, in my judgment, that a great many more youngsters will have the advantage of attending vocational training schools, where the concentration will be on education, than would be the case if so much of the money were to be spent for the CCC camps.

Mr. President, I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, I yield myself 5 minutes.

Every so often, something passes through one's mind concerning which he says, "I have heard this before"; or "This experience has gripped me once before."

The truth is that I have heard this argument three times before. There was a Job Corps program before Congress in the 86th Congress, and it was adopted by the Senate. Such a program was before us in the 87th Congress, but the Senate did not act, even though the bill was on the calendar, because we were awaiting the possible action of the House. Then we passed a Job Corps program in the 88th Congress by a substantial majority. It was known as the Youth Opportunities Act, and was S. 1. It included the hometown Youth Corps and the Youth Conservation Corps.

If Senators are expecting that any of these programs will be a cure-all for the problem of youth delinquency or the problem of youth employment or unemployment, they should vote against the bill. The program before us is not a cure-all; it is an honest, determined effort to alleviate a difficult, growing situation of poverty, of low income, of frustration, of a sense of hopelessness on the part of millions of Americans; and, in this instance, on the part of hundreds of thousands of young people.

The choice is, Do we want to have these young men on the streets, in trouble, doing nothing? Or do we want them—at least some of them—to have an opportunity to do gainful work for the public welfare, in the public interest, on public lands, and for public resources, and to receive a modest income, some work training, some physical training, some inspiration, and some discipline and work habits?

If Senators think that boys will be remade by attending youth camps, they are deceiving both themselves and the boys.

But the program will be helpful. The choice we have is generally not the choice between white and black, between absolute perfection or total imperfection; but a choice between alternatives, some of which are reasonable, some of which are not.

The program of the Youth Conservation Corps or the job corps has a record in this country that most Americans hail as a good record. The Senate should know that there are illustrious Members of Congress who were members of the CCC camps. The distinguished Representative from my State of Minnesota, JOHN BLATNIK, who is one of the outstanding Members of the other body was a CCC boy. There are more than a dozen Members of the other body who were members of CCC camps. I only regret that I was not.

The Civilian Conservation Corps camps produced results that I have never heard complained about or criticized until I came to the Senate about 10 years after the camps were closed. There is not a family in America that has not heard about the accomplishments of the Civilian Conservation Corps. There is not a State in America that has not profited by the accomplishments of that corps. There is not a bit of public land in America that has not benefited somewhat, if a camp was located on it.

All over the Nation there are young men—they are not so young now—who are not better for having attended a CCC camp. Thousands of men got their chance, in the depths of the depression, to have a decent place to sleep, a comfortable place in which to live, nutritious food, some warm clothing, and a job in a CCC camp.

The stigma was the society that made it necessary to establish such camps. The stigma is the fact that one cannot get a job when he stands on the street corner, like a bum.

The YCC will not leave a stigma on anybody. It will make a real contribu-



tion to the country, to the States, and to the communities.

They will be a little healthier, and at least have some decent habits. If the Congress should turn its back on the Youth Conservation Corps, it would turn its back on one of the most exemplary chapters of its history; because of all the programs of the depression years, of all the programs which have ever affected the youth of this country in which the Government has been involved, I say that none has been better than the CCC.

I do not care who testifies that it has left a stigma on a man. The worst stigma on a man was not to be wanted—that there was no place for him in society.

I have gone over this argument time and time again. I have heard about the cost of the program. Has anyone heard about the cost of juvenile delinquency? It would cost \$4,700 a year to take care of a young man in a youth camp. It costs \$25,000 for a juvenile delinquent. Let anyone dispute that figure. That is a minimal cost. It costs more for a boy in a reformatory per year—if one wishes to amortize the reformatory costs—than it does in a youth camp. I take a strong stand against prisons and reformatories—I wish to take a courageous stand against them. I support youth camps which are free and voluntary, where young people will find opportunity.

What will they learn? Mr. Shriver testified before the committee and gave a sketch of what the staff would be like. He also outlined some of the possibilities. He does not say that a boy would end by becoming a plumber.

The PRESIDING OFFICER. (Mr. McINTYRE in the chair). The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 more minutes.

Mr. HUMPHREY. It does not mean that a boy will become a skilled craftsman, but it does mean that he will learn a little about the use of tools. These youngsters, according to the testimony in the report of the committee—and I read from the report—would be employed in a great variety of tasks, including water and soil development conservation, timber stand improvement, range resource development, recreational facilities, wildlife habitat improvement, insect disease control, fire protection, road trail development, and surveys.

They would get an opportunity to receive vocational education, and some applied education—not merely book education. We could use a thousand of them in Rock Creek Park right now. This city needs campsites around it. There are families in this city that cannot find a decent place to stay. This is a growing country, so we have some problems, like the boys in Brooklyn who went to Yellowstone Park, where they were restless. Mr. President, there are a few boys who went from Yellowstone Park to Brooklyn and they were just as restless. What does that prove? Boys are particularly restless. If they are not, there is something wrong with them.

The main idea is to put those boys to work. So, I would hope that we would sustain the action of the Senate on two other occasions, and that we would not destroy the heart of this bill. The heart of this bill is in the Job Corps. I hope that the Senate will defeat the amendment.

Mr. TOWER. Mr. President, will the Senator from Vermont yield me 1 minute?

Mr. PROUTY. I yield 1 minute to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. TOWER. Mr. President, no one is in favor of juvenile delinquency. No one is in favor of poverty. But, the clear implication here is that if we vote against the bill, we shall be voting for poverty and for juvenile delinquency. I reject that notion.

I have not seen anything in the bill which proves to me that it would eradicate juvenile delinquency.

I have not seen anything in the bill which proves to me that it would prepare youngsters for a useful profession.

No guidelines are set out in the bill. We do not know what kind of training will be given in the camps. There is absolutely no guide in the bill. It is absolutely vague. Quite to the contrary, so far as being for poverty or juvenile delinquency is concerned, I am very much opposed to them both; but I believe that the bill is a cruel hoax.

Mr. RANDOLPH. Mr. President, will the Senator from Michigan yield to me 3 minutes?

Mr. McNAMARA. I yield 3 minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 3 minutes.

Mr. RANDOLPH. Mr. President, I wish very briefly to underscore the compelling comments which have been made by the Senator from Minnesota [Mr. HUMPHREY].

Sometimes a Member who served in the other body in a much earlier period in his life is reluctant to mention the fact as he may be regarded perhaps as an oldtimer in public service.

I emphasize, however, that my spirit is as young today as I plead for the Civilian Conservation Corps concept as it is embodied in this bill, as when I spoke in the House of Representatives in 1933 for the creation of the CCC. I am as ardent an advocate now as I was then.

I would remind Senators that there are those of us who voted for the CCC in 1933 who are now privileged to serve in this forum. Then, in 1937, we voted to extend the CCC for another 3 years. The reason that was done was that the Conservation Corps had proved itself. The record of the Corps met general approval of the American citizenry.

It has been my responsibility in the 86th Congress and again in the 88th Congress, to conduct hearings on the Subcommittee on the Youth Conservation Corps as related subject matter.

I listened. I was attentive to the witnesses at the hearings. I heard the

day-by-day moving testimony of the men who came to Washington, paying their own expenses, individuals who are now leaders in their communities, who were once enrollees of the CCC. Over and over they impressed us with the value of the training they received. Mention has been made here of certain scant testimony of disparagement of the CCC. It was fragmentary. The overwhelming endorsement by men who had served in the Corps and who came to the Nation's Capital to testify what it meant to them to be in the CCC camps, that is what caused me again to believe now even more firmly, perhaps, than back in the 1930's, that this is the constructive program which builds boys into better men. The Nation's natural resources were strengthened to be sure, but—ah, the human values were so great.

I trust that the amendment to the committee amendment offered by the Senator from Vermont [Mr. PROUTY] will not only be defeated but will be defeated by a substantial majority. Let us keep the heart of this bill intact.

Mr. McNAMARA. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 1 minute.

Mr. McNAMARA. I subscribe to the remarks of the distinguished Senator from Minnesota [Mr. HUMPHREY] and the distinguished Senator from West Virginia [Mr. RANDOLPH].

They have been stressing the Job Corps and the advantages to the young man of learning work habits and the contribution he will make to the forests and the park program. Correctly so. But, in addition, under this section of the bill, the boys will be offered an education. They will not necessarily have the time that they had under the old system. There will be books available to them; there will also be people to help to train them, under another section of the bill. I believe that this is, all in all, a tremendous piece of legislation, and this program is really the heart of it.

I hope that the amendment to the committee amendment of the Senator from Vermont will be defeated.

Mr. PROUTY. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. PROUTY. Mr. President, it is a little surprising to me that so many Senators who are opposed to my amendment were perfectly willing to accept the amendment yesterday which made it possible for any Governor to veto a CCC program in his State—all 50 States, if the Governors felt that way.

I believe, also, that the impression may have been created that I am for abolishing this whole training program for young people. That is not what I am trying to do.

I would keep the \$190 million appropriation where it is.

I would do nothing to reduce the number of youngsters who would be eligible for the program.

Under the bill, 20,000 would go into the so-called CCC camps, and another



20,000 would go into the training centers.

My whole point is that in the training centers which would cost a great deal less to operate, and where the boys and girls would live, they would receive good food as well as excellent training which would help them acquire a useful skill, which they would not get in a CCC camp.

I believe that most people familiar with the operation contemplated will agree with me on that.

I am not cutting a single nickel from the bill. I am making it possible, perhaps, to take more than 40,000 of these youngsters this year, because if we put them in vocational training centers not only can they learn a skill, but also it will cost the taxpayers a great deal less. A great many of them, we hope, will be able to find useful jobs.

I am not trying to kill the program. I am sure the Senator from Missouri agrees with that statement. But I think that perhaps the impression has been given that that is not true.

I want to have as many of these young people in the camps or training centers as possible. I hope they will be successful. Certainly the program is experimental. But it is worth the effort.

I am not seeking to cut a nickel from the program. I seek to make it possible for more of these people to acquire useful skills by sending them to training centers away from their homes, in new environments, but not out in the woods where they would work all the time and become so tired that the 2 or 3 hours of training they would receive would not be very helpful. They would come back just what they were when they left. I want to make that very plain.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreement to the amendment of the Senator from Vermont [Mr. PROUTY], to the committee amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Montana [Mr. METCALF], is absent on official business.

I also announce that the Senator from California [Mr. ENGLE] and the Senator from Massachusetts [Mr. KENNEDY], are absent because of illness.

I further announce that the Senator from Texas [Mr. YARBOROUGH], and the Senator from New Mexico [Mr. ANDERSON], are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Montana [Mr. METCALF], the Senator from Texas [Mr. YARBOROUGH], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from California [Mr. ENGLE], would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent, and if present and voting, would vote "yea."

The result was announced—yeas 33, nays 61, as follows:

[No. 480 Leg.]

#### YEAS—33

Allott  
Beall  
Bennett  
Boggs  
Byrd, Va.  
Carlson  
Cotton  
Curtis  
Dirksen  
Eastland  
Ellender

Goldwater  
Hickenlooper  
Hruska  
Javits  
Jordan, Idaho  
Keating  
McClellan  
Mecham  
Miller  
Morton  
Mundt

Pearson  
Prouty  
Robertson  
Russell  
Saltonstall  
Scott  
Simpson  
Stennis  
Thurmond  
Tower  
Williams, Del.

#### NAYS—61

Aiken  
Bartlett  
Bayh  
Bible  
Brewster  
Burdick  
Byrd, W. Va.  
Cannon  
Case  
Church  
Clark  
Cooper  
Dodd  
Douglas  
Edmondson  
Ervin  
Fong  
Fulbright  
Gore  
Gruening  
Hart

Hartke  
Hayden  
Hill  
Holland  
Humphrey  
Inouye  
Jackson  
Johnston  
Jordan, N.C.  
Kuchel  
Lausche  
Long, Mo.  
Long, La.  
Magnuson  
Mansfield  
McCarthy  
McGee  
McGovern  
McIntyre  
McNamara  
Monroney

Morse  
Moss  
Muskie  
Nelson  
Neuberger  
Pastore  
Pell  
Proxmire  
Randolph  
Ribicoff  
Smathers  
Smith  
Sparkman  
Symington  
Talmadge  
Walters  
Williams, N.J.  
Young, N. Dak.  
Young, Ohio

#### NOT VOTING—6

Anderson  
Dominick

Engle  
Kennedy

Metcalfe  
Yarborough

So Mr. PROUTY's amendment to the committee amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORTON. Mr. President, will the Senator from Texas yield?

Mr. TOWER. Mr. President, I yield 5 minutes on the bill to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 5 minutes.

Mr. MORTON. I am sorry that the Prouty amendment was not agreed to, for I think it would have brought perhaps twice as many people under training, because the available funds would have been spread to that many more. However, perhaps it is just as well that they were not. I do not know what they would get out of the program.

I agree with the statement in an article from the Courier Journal of Louisville, Ky., on July 18 written by Kyle Vance, one of their top reporters. The headline reads "Wage Law Closes Up Craft Shop."

The article states:

PAINTSVILLE, KY.—Kentucky Hills Handicrafts, a busy supplier of mountain-made novelties and notions, is going out of business because of a crackdown on Federal minimum-wage provisions.

Jo Pack, operator of the industry, said yesterday a few full-time jobs and about 200 part-time occupations of mountain men and women will have to be ended.

#### CALLS IT IRONIC

An ironic consideration, Miss Pack said, is that the Federal Government spent about \$35,000 at the Mayo State Vocational School, Paintsville, to teach the arts and crafts work to the mountaineers.

"What this crackdown means is that more Eastern Kentuckians are being forced out of work than President (Lyndon B.) Johnson's poverty program can put back to work," she said.

She said the nature of the work for her establishment is such that she cannot afford to guarantee the \$1.25 an hour demanded by the Federal wage-hour law.

Other small employers in Eastern Kentucky are being forced out of business, she charged, because a new wage-hour office in Pikeville is pressing for strict compliance with the minimum-wage law.

#### CHALLENGE FAILS

Miss Pack said she has challenged without success the right of the Government to classify her as a dealer in products that move in interstate commerce.

"I rearranged my operation so that I would not be selling across State lines," she said. "They first told me that I could sell within Kentucky without being subject to Federal minimum wages.

"Then they came back to me and said I couldn't even sell inside Kentucky, because our goods are sold to tourists and the tourists carry them across State lines.

They permit Miss Pack to deal with any mountain family, young or old, if they can supply their own raw materials; but if they cannot, and if she advances the raw materials and lets them work on a purse or anything else in their own homes so that they supplement their incomes, someone is sent to those homes with a stopwatch, according to the Wage and Hour Administration of the Department of Labor, and see that the people make \$1.25 an hour.

It is ridiculous that one branch of the Federal Government wishes to war on poverty, and yet the day before yesterday, in the mountains of Kentucky, the Wage and Hour Administration was taking 200 jobs away from people.

Mr. President, I am tired of lip service. I shall vote against the bill. I thank the Senator for yielding me the time.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield 2 minutes to me?

Mr. TOWER. I yield 2 minutes on the bill to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Kentucky has placed his finger on the crux of the problem that we are discussing. Under the bill we would merely treat symptoms. We would be giving a sedative to a condition which is bothering the people of the country. We would not at all reach the cause or the conditions about which we are complaining today. The cause of the condition is that the Federal Government has not given our free economy an opportunity to expand. Its course has been one of hindrance. It has not in any way helped the persons who wished to operate a business so that they could hire people.

We have a stacked National Labor Relations Board. We have a stacked Department of Labor. We have thrown in our lot with labor unions. We have done everything we can to impede the free operation of agencies that employ the people about whom we are concerned today.

In 1933, 12 million people were out of work. All of the nostrums now proposed were adopted,



In 1939 there were still 9 million people out of work. In the last 3 years, we passed a bill providing for liberalization of depreciation allowances. We have given a tax credit for new capital investment. We have adopted the tax reduction bill. We have adopted a supplemental public works bill, a community facilities bill, and an area redevelopment bill, and I believe we shall adopt the so-called Appalachia bill.

Instead of the number of unemployed going down, it is going up.

So I ask the following question: Is our program of Federal nostrums solving the problem? No one can prove to me that it is. The facts and statistics show that with all our spending, conditions are worse today than they were 3 years ago.

Mr. JAVITS. Mr. President, I send an amendment to the committee amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment to the committee amendment offered by the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed, on pages 108 between lines 21 and 22, to insert the following:

SEC. 614. (a) In carrying out the provisions of part A of title II, and part B of title III, the Director shall receive and is authorized to approve State plans to carry out the provisions of such parts or either of them, and shall utilize State agencies and facilities in the administration of such parts, either at the initiation of programs under such parts or in the course thereof, whenever and wherever such State plans will accomplish as economically and efficiently as Federal administration the purposes of such parts.

(b) The Director is authorized to make grants to or to contract with States and appropriate State agencies for the payment of the expenses of such agencies in performing their functions under subsection (a) hereof.

Renumber the succeeding sections.

Mr. JAVITS. Mr. President, I shall not take very long. I think we can dispose of what I have in mind very briefly, but I would invite the attention of Senators to the fact that after the "road marches" we have made today upon the subject, we still have not dealt with the problem in a affirmative way. We have dealt with it solely in a negative way. We have now required that, as to youth camps, the Governor of a State may have 30 days' veto power. We have provided that where a contract is assumed with a private, nonprofit agency in any State, if—and I direct the attention of Members of the Senate to this—if it is not done in connection with a public agency, it must be submitted to the Governor for 30 days.

What we have omitted to do so far, unless we do it now, is to provide that the Director of the program may make contracts with States to take over the administration under any title, if he wishes to.

In my judgment, the Senate would have been much better advised to have gone down that road rather than give the Governor veto power. The Senate would have done much better if it had traveled the road of giving the Director authority or direction to make agreements with States to take over the administration.

The Senate has not done that. That is a decision the Senate has made. Probably there is no point in rearguing it, although I hazard the guess that when the measure comes out of conference, that is what will be done, because the other provisions which have been adopted are more onerous and difficult than the provisions I have suggested.

I should like to have the attention of the manager of the bill, because I think in the legislative history we can make it very clear that the bill will allow—provided we make it do so—the Director of the program to make contracts with individual States of a generic character to take over, if he wishes, the administration of individual titles of the bill.

I should like to ask the Senator from Michigan, who is in charge of the bill, under section 107, as it applies to youth camps; under section 112, as it applies to work training programs; under section 209(a), as amended, as it applies to community action programs; under section 213(a) and section 214 as they apply to adult education programs; and under section 311, as it applies to migratory labor programs, whether it is his judgment that under these sections the Director of the program could, if he wished, enter into agreements with individual States, under which the States under such agreements and terms, could administer the totality of the particular parts to which those sections referred.

Mr. McNAMARA. The question is lengthy and complex. I believe it comes down to the fact that the Director now has the option of accepting existing State plans or approve State plans that might be put into effect.

Mr. JAVITS. And enter into agreements with States to carry them through in association with the agencies?

Mr. McNAMARA. Yes, with the appropriate State agency or Governor, as the case may be.

Mr. JAVITS. I think that is fine. I think it is the most we can do, as the Senate has not adopted the other principle I had in mind. We have made it clear that the Director may enter into such agreements, in his discretion, if he wishes.

It is the judgment of the manager of the bill that the bill enables him to do so under the sections I have read.

Mr. McNAMARA. Yes.

Mr. JAVITS. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator from New York withdraws his amendment.

The committee amendment is open to further amendment.

Mr. LAUSCHE. Mr. President, I send to the desk an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment to the committee amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 64, line 14, to strike out the numeral "\$412,500,000" and insert in lieu thereof the figure "\$312,500,000."

Mr. LAUSCHE. Mr. President, I yield myself 2 minutes. I shall ask for the yeas and nays on this amendment.

My amendment would strike the figure "\$412,500,000" authorized to finance title I and substitute therefor the figure "\$312,500,000."

I contemplate offering an amendment to each title, proposing to reduce the amounts allocated to each title by 25 percent, except as to title III, with which we have already dealt.

To repeat, for title I, instead of \$412,500,000 being authorized, if my amendment is adopted \$312,500,000 will be authorized for expenditure.

I reserve the remainder of my time.

I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. McNAMARA. Mr. President, this is not an uncommon approach. The amendment proposes an arbitrary, across-the-board cut of 25 percent, as I understand it. All the elements are here involved that were involved in the Prouty amendment which the Senate voted down a few minutes ago. I hope the same action will be followed in this case.

This is a carefully worked out program, after consultation with business and other leaders. The budget has been worked out on the basis of the recommendations of experienced people from all walks of life. I think the figure should remain as it is. I hope the amendment will be rejected.

I yield back the remainder of my time.

Mr. LAUSCHE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the Lausche amendment to the committee amendment has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Montana [Mr. METCALF] is absent on official business.

I also announce that the Senator from California [Mr. ENGLE] and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from Montana [Mr. METCALF], the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 37, nays 57, as follows:

[No. 481 Leg.]

YEAS—37

|           |               |                |
|-----------|---------------|----------------|
| Allott    | Goldwater     | Pearson        |
| Beall     | Hickenlooper  | Robertson      |
| Bennett   | Hill          | Russell        |
| Boggs     | Holland       | Saltonstall    |
| Byrd, Va. | Hruska        | Simpson        |
| Carlson   | Jordan, N.C.  | Sparkman       |
| Cooper    | Jordan, Idaho | Stennis        |
| Cotton    | Lausche       | Thurmond       |
| Curtis    | McClellan     | Tower          |
| Dirksen   | Mechem        | Williams, Del. |
| Eastland  | Miller        | Young, N. Dak. |
| Ellender  | Morton        |                |
| Ervin     | Mundt         |                |



## NAYS—57

|              |           |                |
|--------------|-----------|----------------|
| Aiken        | Hartke    | Morse          |
| Bartlett     | Hayden    | Moss           |
| Bayh         | Humphrey  | Muskie         |
| Bible        | Inouye    | Nelson         |
| Brewster     | Jackson   | Neuberger      |
| Burdick      | Javits    | Pastore        |
| Byrd, W. Va. | Johnston  | Pell           |
| Cannon       | Keating   | Prouty         |
| Case         | Kuchel    | Proxmire       |
| Church       | Long, Mo. | Randolph       |
| Clark        | Long, La. | Ribicoff       |
| Dodd         | Magnuson  | Scott          |
| Douglas      | Mansfield | Smathers       |
| Edmondson    | McCarthy  | Smith          |
| Fong         | McGee     | Symington      |
| Fulbright    | McGovern  | Talmadge       |
| Gore         | McIntyre  | Walters        |
| Gruening     | McNamara  | Williams, N.J. |
| Hart         | Monroney  | Young, Ohio    |

## NOT VOTING—6

|          |         |            |
|----------|---------|------------|
| Anderson | Engle   | Metcalfe   |
| Dominick | Kennedy | Yarborough |

So Mr. LAUSCHE's amendment to the committee amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MORSE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUSCHE. Mr. President, in view of the manifestation of the judgment of the Senate on my amendment, I shall not offer the amendments which I said I would offer. I believe the Senate has spoken its will, and it would be a waste of time to offer amendments to the other titles of the bill.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If no further amendment is to be offered, the question is on agreeing to the committee amendment as amended.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. MORSE. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I yield to the distinguished Senator from Colorado such time as he may require.

Mr. ALLOTT. Mr. President, much has been said, and I am sure that much, much more will be said in the months ahead, about the President's war on poverty. This program has been heralded in a fashion that would make P. T. Barnum's heart leap for joy, were he still alive. The advance publicity men and the barkers have been diligently plying their trade. The atmosphere has definitely been circus, and after having read the bill, perhaps a circus setting is appropriate after all. With the enactment of this hastily drafted, ill-considered legislation the world renowned Ringling Brothers and Barnum & Bailey Circus will be relegated to the "second greatest show on earth."

Because we have been deluged in Madison Avenue slogans and circus hoopla, I think that it is important that this quixotic approach to the poverty problem be placed in its proper perspective.

This was succinctly done in a conversation between two 8 year olds, as only children in their direct and innocent insight can. The exchange, as overheard by one of my staff members, went like this:

First 8-year-old: "What's a poverty war?"

Second 8-year-old: "Oh, that's a battle between the poor people and the politicians—but the politicians always win."

"The politicians always win." These four words sum up the underlying aims and eventual results of the war on poverty with uncanny accuracy. How can Senators be asked, in good conscience, to authorize the expenditure of nearly \$1 billion of the taxpayers' money in the first year and undoubtedly several times that amount in years to come to secure a victory for politicians? Campaign funds should be procured from the usual sources, not the Federal Treasury.

Section 602(m) authorizes the poverty czar to "expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this act (1) for printing and binding," and section 602(i) authorize him to "disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public." With such broad authority to print and disseminate data and information, perhaps poverty czar is a misnomer; propaganda czar may be more appropriate.

It seems that the offer of a free opportunity whereby a man may remove himself from the public assistance rolls, by learning a trade or skill, is no longer sufficient motivation. He must be paid a sum in addition to what he receives from other public doles. To put it in the committee's own words:

An individual should not be discouraged from participating in projects under title I or title II by concern that his entitlement to unemployment compensation will thereby be adversely affected.

The Job Corps, as established by title I-A of the bill, authorizes the Director to furnish the enrollee all of the enrollee's living expenses, "including quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary and appropriate for their needs." Under these two titles of the bill a Job Corps enrollee would receive his unemployment compensation, which is designed to defray his living expenses while he looks for work, and at the same time he would receive his living from the Job Corps. In addition to this, he would receive \$50 per month at the end of his enrollment for each month of his service in the Job Corps.

As an example of what an enrollee might receive, the average unemployment compensation payment in the State of Colorado is \$42 per week, and under Colorado law he is entitled to receive this for a period of up to 26 weeks. During the Senate hearings, Mr. Shriver estimated that it would cost \$4,700 per year to support each enrollee in a camp.

That is a whale of a lot more money than most people in this country have with which to send their children through college.

Assuming that the enrollee remained in the program for the full 2 years he would receive the following benefits: \$1,092 in unemployment compensation; \$1,200 in readjustment allowance; \$9,400 in benefits from the Job Corps—\$11,692 total.

That amounts to an average of \$487 per month to remain unemployed. This program is so attractive that I fear that many promising youths who would otherwise enter a training program to develop employable skills may be encouraged to enter this program of paid vacations.

This kind of dual compensation is unlawful in many States, but the majority report blandly tosses this off with this statement:

There are some States that will probably have to amend their public assistance statutes in order to comply with the provisions of title VII.

The youngsters lucky enough to be selected by the "poverty czar" to be enrollees will receive a 2-year paid vacation, since the Job Corps program does not even pretend to equip the enrollees with an employable skill. The Job Corps program only hopes to produce "good working habits."

The "poverty czar" is authorized by title II of this legislation to deal directly with the community, county, or town, and to make grants directly to public or private nonprofit agencies. Perfunctory coordination with the State is accomplished by permitting the Governor, or his designee, to comment upon the application for assistance. In discussing his plans for the implementation of community action programs authorized under title II, Mr. Shriver made the following statement on the "Meet the Press" television program of March 22, 1964:

Under the community action device, a plan has to be created. Any one of those plans in my judgment should include a large component of educational assistance. And that educational assistance would be given through the local public school system under the guidance and direction of the Commissioner of Education.

My concern is that this may be a backdoor approach to Federal aid to education. Despite the safeguard contained in section 205(b) concerning general aid to elementary and secondary education, it appears from Mr. Shriver's statement that he envisions aid to education, at least on a local basis.

I have attempted to point up only a very few of the fallacies and defects of this bill. The minority views and individual views of both the House and Senate reports contain a much more exhaustive study of the program's glaring inadequacies, and recommend many realistic and workable programs that could be implemented effectively to combat poverty.

Although I have great sympathy for the plight of the poverty stricken, and sincerely wish to somehow relieve their burden, my conscience compels me to vote against this political boondoggle.

There is not a thing in the bill which is not contained in the law of the land



in one place or another. In effect, it is merely a political boondoggle, the worst political pork barrel that has even been inflicted upon the people of the country. I must, in conscience, vote against it.

Mr. TOWER. Mr. President, I yield 1 minute to the distinguished Senator from Wyoming.

Mr. SIMPSON. Mr. President, the Senate is about to pass a legislative monstrosity. I can only say, "God save America." The Senate will not. This is a sorry day for the Republic. A socialized dictatorship is now a reality.

The title "The War on Poverty," like others, such as "Truth in Lending," has tremendous political appeal.

The proponents of such a bill try to make the public believe that the opponents of the bill are all evil and the only virtuous thing to do is to support that legislation. Unfortunately, the title "The War on Poverty" like "Truth in Lending" is an appealing phrase which is used in an attempt to make the bad seem good, the deceitful seem honest, and the fraudulent seem trustworthy.

This bill is a political grab bag of programs which have failed in the past or have failed to get congressional approval during the reign of the New Frontier. All of the nine programs in this grab for political power should fail because they are not addressed to the primary causes of poverty. They are antiquated proposals which have never been successful.

This Democrat administration has manipulated statistics in many interesting ways in an effort to substantiate their unwarranted claims and political causes. On September 8, 1960, during his campaign for the Presidency, the then Senator Kennedy said that there were "5 million Americans living in poverty."

Now, after almost 3 years of Democrat failures, we find, according to their statistics, that 35 million persons, or one-fifth of the Nation's families, are living in poverty. Their figures pretty well substantiate the fact that the leadership of the Democrat Party in America is bad and brings poor conditions to the United States.

The administration is trying to tell us that any family which has less than a \$3,000 annual income lives in poverty. The facts do not substantiate this claim. If the administration's figures are to be believed, well over a million members of our Armed Forces are living in poverty. Before any person who is living on social security benefits earns as much as \$3,000, he will lose all of his rights to a social security payment. Forty-five percent of all families who reported incomes in the range of \$2,000 and \$3,000 owned their own homes and of these, 66 percent had no mortgage on their homes.

These are a few of the examples that can be cited to show the ridiculousness of the administration's determination that all families earning under \$3,000 per year are living in poverty.

The proponents of this bill pretend that they are working under the general welfare clause of the U.S. Constitution. However, it is interesting to note that this clause does not impose a duty upon the Federal Government to provide for

every individual the means of reaching a given income level. The bill seems to take the big brother approach and downgrade individual initiative and responsibility. The well-being of most individuals must be earned, not wholly granted by government as a matter of right.

True to form, this administration has proposed that one man be given virtually unlimited powers so that he may reign over millions of dollars without accounting to any authority other than the political bosses of the White House.

The Director of the war on poverty will become a little dictator who will be restrained by few, if any, congressional directives and be almost immune from existing statutory provisions. "At his discretion" seems to be the only guidelines that exist in this piece of legislation. This is not the first time we have seen this approach used by the administration, but it is one of the few times that such a brash, bold, and obviously political approach has been so nakedly exposed by the administration in its drive for power. I am extremely disappointed to see that the administration approaches the problems of our poor people with purely a political motivation rather than a sincere desire to help.

I cannot vote for such a bad bill, which, if passed, would delegate unlimited power to the executive branch of the Government, cost a fantastic sum of money, and do little to remedy the situation which it claims it will remedy.

I urge Senators to vote against this bill.

Mr. TOWER. I yield 3 minutes to the Senator from Iowa.

Mr. MILLER. Mr. President, I shall vote against this bill, which I regard as a hastily considered, unsound, cynical piece of legislation.

It is reported that President Johnson considers this to be the keystone to his so-called war on poverty. Nevertheless, we are being asked to authorize the spending of almost \$1 billion by the Federal Government after less than 2 days to digest and analyze the 133-page report on the bill from the Senate Committee on Labor and Public Welfare. Needless to say, a number of us are disturbed over such a steamrolling tactic, especially when so many people and so much money are involved.

It should be emphasized that once this program goes into effect, it will be difficult to end it—not because we would wish to see an end to attempts to deal with poverty, but because the program is doomed to failure—certainly failure when considering the vast sums of money that will be spent. This is so because the programs, for the most part, ignore or downgrade the root causes of poverty; namely, the need for jobs with a future, which private industry and not the Federal Government must provide if we wish to maintain our American heritage; and the need for education and skills which those in the poverty class must have to fill these jobs.

I realize that a portion of the bill is directed at training which, we may hope, will develop skills needed by the participants. But a large part of the bill is directed at what can accurately be de-

scribed as "make work" activity, of only temporary duration, which will leave the participants with little more than a year or two of diversion. What these individuals need is better education, vocational training, and motivation. And the jobs can only be provided by private industry which is encouraged—not discouraged—by the ever-increasing unwise spending of tax moneys.

Fortune magazine, in a most perceptive and revealing article in the February 1964 issue, correctly chartered the true course which should be followed:

But the sloganeering atmosphere of an election year will make it difficult to choose among proposals. In this context the President's word, war, is unfortunate. Wars are conducted under the sole direction of the Federal Government. In wartime we suspend considerations of what's good for the economy. Yet it is the productive system that attacks the causes of poverty most effectively—a fact strangely omitted from President Johnson's speech. Decade after decade the incidence of poverty in the United States has been diminished, not by Government programs, but by an advancing private economy.

A single-minded war on poverty might produce legislation that would endanger the economy in a way that would actually retard economic progress—and the reduction of poverty. To take one possibility: Many employed people are poor; a \$2-an-hour minimum-wage law would promise to raise them above the poverty level; but, in fact, the probable effect of such a law would be to increase unemployment and swell relief rolls.

Instead of oversimplifying the problem in a phrase, we need to break it up into its components and deal with them piecemeal. Medical care for the indigent aged hasn't much in common with retraining workers displaced by automation. Private charity, corporate philanthropy, local government efforts to relieve distress should all be stepped up beyond their present levels. Such efforts to meet the multiple forms of poverty one by one should not be drowned in a slogan which suggests that a war on poverty is the prime and direct responsibility of the Federal Government.

In its haste to solve the ills of the poor in one fell swoop, the administration is overlooking the fact that we very well could be paving the way, through this all-encompassing program, for even more dependence on the Government. In doing so, I believe we are ignoring the wisdom of novelist Thomas Wolfe, who wrote of America's promise: "To every man his chance; to every man, regardless of his birth, his shining golden opportunity; to every man the right to live, to work, to be himself, and to become whatever his manhood and his vision can combine to make him; this seeker, is the promise of America."

In this haste to push this program through, the administration is helping to promote the illusion that the Federal Government is not doing anything presently to alleviate the evils of poverty. Little has been said, and I doubt whether more will be said, that close to \$31 billion has been appropriated in fiscal year 1964 alone to combat the various forms of poverty.

The types of programs now operational are well illustrated in the minority views of the report on this Economic Opportunity Act of 1964.

I think it would be well to call attention to those minority views which ap-



pear on pages 75 and 76 of that report. I quote:

The Madison Avenue hoopla surrounding the poverty war has left a distinct impression that people generally and the Federal Government in particular have just discovered that there are poor in our midst and that something should be done to help them. This hoopla, which is typical of the drive being made to sell this bill, is so completely misleading as to hardly warrant any rebuttal here.

The most obvious means, however, of correcting any false impressions which may have been created on this score is to refer to the myriad of existing Federal programs designed to combat poverty. No less than 42 programs, many of which have been in operation for decades, are aimed at various facets of the poverty problem. These programs have appropriations totaling more than \$30 billion in fiscal 1964; obviously, then, the Federal Government is not ignoring poverty.

Without commenting on the merits of any of the existing programs, we believe that it is essential to note that fighting poverty is not an exercise that began with the administration of Lyndon B. Johnson.

And I subscribe to another point expressed in the minority views:

The problems of the sixties will not be solved by adopting the panic programs of another era. What is necessary, obviously, are reasoned answers to the problems of today, not yesterday.

In the Tuesday, July 31, issue of the of the Omaha World Herald the third in a splendid series of five articles on the poverty program of President Johnson, written by the able journalist Paul Martin, pointed out some of the defects in the program which have been detected by able educators and psychologists whose views merit attention. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MILLER. Mr. President, in conclusion this piece of proposed legislation is typical of much of what has characterized this administration: some good points and some merit outweighed by irresponsible overloading, done in the name of high-sounding ideals but explainable only through an understanding of the ways of trying to win votes—all at the taxpayers' expense, of course.

#### EXHIBIT 1

[From the Omaha (Nebr.) World-Herald, July 21, 1964]

#### THE ANTIPOVERTY BILL: EXPERTS DISAGREE ON THREE FEDERAL YOUTH PROGRAMS IN ANTI-POVERTY BILL

(By Paul Martin)

WASHINGTON.—The antipoverty bill pending in Congress would start three new Federal youth programs at a first-year cost of \$412,500,000.

If the bill is passed, the Government would enlist 440,000 young men and women, mostly between the ages 16 and 21, to serve in these activities:

A Job Corps of 100,000 to be stationed in 100 conservation camps or job-training centers around the Nation, \$190 million.

A work-training project for 200,000, costing \$150 million in cooperation with public agencies or private nonprofit organizations.

A work-study program for 140,000 providing part-time employment for needy college students at \$72,500,000.

The Federal Government would pay all of the costs of the Job Corps, and 90 percent of the costs of the work-training and work-study programs. The non-Federal contribution could be in cash or kind, including plant, equipment, and services.

#### EXPLANATION

The types of work to be performed by the youngsters, rates of pay, and other conditions of employment are not specified in the bill.

Sargent Shriver, designated as "poverty czar" in the White House, told the House Labor Committee: "The boys or girls eligible for the Job Corps would be the kind most likely to end up in a lifetime of poverty or lifelong trouble with the law."

The youth programs are designed primarily for the benefit of school dropouts, draft rejects and juvenile delinquents.

Dr. Samuel M. Brownell, school superintendent in Detroit and former U.S. Commissioner of Education, testified: "Some people concerned with resident centers in the country are looking for a way to get troublesome young people out of our hair. There is always a tendency to say, 'Set up something someplace else and put those people there.'"

#### SHIFTS

Thus Job Corps recruits from New York City might be assigned to a camp near Binghamton or Rochester or Utica. From Chicago they might be sent to Danville or Rockford.

Dr. Vern Alden, president of the University of Ohio who is working with the Job Corps, said the first-year plan calls for setting up 100 conservation centers in the country and/or job training centers near metropolitan areas, with 1,000 to 3,000 young people at each site.

Some categories of youngsters would be excluded—the severely mentally disturbed person, the physically handicapped if he is disabled, the drug addict, and the serious delinquent.

"If a person has a minor offense on the police docket, he would not be excluded," Dr. Alden said.

Dr. Alden said the young people would live in dormitories or at campsites. Universities could be prime contractors in running the job training centers. He gave this example:

"Let us say a job training center was set up at Camp Kilmer, next to Brunswick, N.J., and we developed a prime contract with Rutgers University. We would say to the people at Rutgers:

#### PROGRAM

"We will deliver 2,000 people at Camp Kilmer on such a date. We will take responsibility for housing, clothing, and feeding these people. We will give you responsibility for developing a new educational program including supervision of work, physical fitness, basic and vocational education.

"You would recruit people on your own faculty, pull in social service workers, returning Peace Corps volunteers, and develop an imaginative, creative, new educational program."

Dr. Alden estimated the cost per enrollee in the Job Corps at \$4,500 a year, compared to the \$3,000 a year income yardstick used by the administration to define "poverty."

Mayor William F. Walsh, of Syracuse, a sociologist and former official of the New York State Human Rights Commission, observed: "The concept of recruiting 100,000 young men and women and placing them in 100 camps across the country for 2 years may not be the best expenditure of public funds."

#### HARDSHIPS

"It removes the young men from direct family and community associations. I don't think you can take a city kid and put him in the country and rehabilitate him. He is go-

ing to come back to the city and live. It is better to keep that same kid in the city and give him something to do."

Dr. Urie Bronfenbrenner, Cornell University psychologist, said it would be hard on young people returning from work camps to a community where he has been labeled a misfit. Unless the youngster is trained in a job needed in his home community, he will be pushed back into the role of social misfit.

The Cornell professor said, "A camp is very expensive. If I had \$190 million to spend, I would put more of that on the first 10 years of life than the next 10. \* \* \* The older they get, the harder they are to save."

Representative EDITH GREEN, Democrat, of Oregon, questioned the availability of teachers for all of the educational programs the Government is promoting nowadays.

#### QUESTION

Representative WILLIAM H. AYRES, Republican, of Ohio, raised the question of segregation.

If the Government enlists Job Corps recruits on the basis of low income or education levels, Mr. AYRES said, "then you might have all-Negro camps."

"That is fine," replied Attorney General Robert F. Kennedy. "I do not care what they are, as long as they are Americans and need help."

Representative CHARLES E. GOODELL, Republican, of New York, predicted more racial trouble in the South.

Welfare Secretary Anthony J. Celebrezze, Agriculture Secretary Orville Freeman, and Mr. Kennedy all testified there wouldn't be any problems.

Mr. McNAMARA. I yield 10 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, America has always proclaimed itself, with pride, a land of opportunity.

But how do you justify this claim when 35 million Americans are today denied such opportunity by the crushing burden of poverty and deprivation?

Try to explain to a woman whose husband has not worked in a year that her son might grow up to be President. She lives in fear that he may never grow up.

Try to convince a Negro in Harlem that diligence and hard work will make him a millionaire. He doubts whether he will ever find a job which lasts longer than 2 weeks.

For too many Americans a library is a word they cannot spell. School is the place they cannot attend.

Surrounded by the riches that only money can buy, the broken poor have stared at the ground and not even dared to dream. They have accepted illiteracy and passed it on to their children. They have lived in dirt because they cannot imagine what it is like to live without it.

These are the outsiders in America. And they live with very little chance of ever being anything else.

The poor today are rarely first generation poor—they represent the first, second, third, and even fourth generation. The fathers of more than half of the youths rejected by selective service never completed grade school. About 20 percent of those rejected on mental grounds come from families which have received public assistance.

When they do look for jobs—a way out, a new beginning—they are seldom rewarded. They are only made painfully aware that they are unskilled, uneducated, and unwanted.



Eventually they stop trying. Defeat is all they have known. Failure is all they expect.

And so can we—the affluent—stop trying. We can ignore the poor. We can keep them hidden by ugliness, tucked away where they can be easily avoided. We can do all these things—if we are also prepared to live with a troubled conscience.

But, thank goodness, most of us are not.

Most of us are prepared to reinvest some of America's affluence to assist those fellow citizens who have known only poverty. We are ready to wage a war on poverty in order to liberate 10 million captive American families. And President Johnson's Economic Opportunity Act of 1964 is the first beachhead of this war which must be won.

About \$11 billion a year—a fifth of the annual defense budget—would be all the money required to supplement the average income of our less fortunate citizens to the level of \$3,000 per year. But that is not what the President proposes. That is not what America wants.

We are seeking not charity but a chance. We are proposing not hand-outs but help. And we know we cannot outlaw poverty, even if it is a crime.

What, then, are the objectives of the Economic Opportunity Act of 1964? Let us examine President Johnson's program, title by title.

#### TITLE I—OPPORTUNITY FOR YOUNG AMERICANS

Almost half the financial resources of the poverty package are focused on the problems of youth. This is surely a wise allocation of these resources, a farsighted investment in the future of America. I commend the President and his distinguished commander in chief of the war on poverty, Sargent Shriver, for emphasizing the need to develop meaningful employment and educational opportunities through the Job Corps, the work-training programs, and the work-study programs authorized in title I.

Before discussing the substance of these three programs, I wish to consider briefly the reasons why they are so urgently needed and why they have been so long delayed.

#### THE PROBLEM OF YOUTH UNEMPLOYMENT

What are the fundamental reasons for the nagging problem of youth unemployment in the United States? First, the national job market has been undergoing profound transformations in terms of the employment opportunities which are available to young people lacking a college or technical education. A person without some type of marketable skill or competence is likely to find sustained, satisfying employment most difficult to locate.

Second, our elementary and secondary school system has often failed to provide the educational opportunities which every American child deserves. For too many years we have ignored the evidence that States and localities have been unable to carry the full burden of providing each American youth with an educational experience relevant to the economic demands of the 1960's.

Finally, American society—both urban and rural—has been undergoing profound transformations in terms of population distribution, patterns of employment, automation, and civil rights. Some can pretend that these historic social forces are not at work. Others can hide their heads in the sands of ignorance, misunderstanding, or humbug. But this stark fact cannot be denied: the America of the 1960's is not the America of the gay nineties. We must recognize and accept the challenge to provide for our young citizens the educational and employment opportunities which make sense in terms of today's world.

To date this challenge has not been met. As a result, we find this Nation faced with a mammoth crisis of youth unemployment and social dislocation. Title I of the Economic Opportunity Act of 1964 is designed to begin the task of saving thousands of young Americans from the cruel fate of uselessness, discouragement, and failure. Title I will provide these young Americans with an opportunity to escape the trap of poverty and despair before it snaps shut forever.

#### THE JOB CORPS

The Job Corps will establish residential conservation camps and job training centers for unemployed youth aged 16 to 21. It is estimated that the Corps will accept between 30,000 and start 40,000 volunteers in the first year and 100,000 in the second year.

Both conservation camps and residential training centers will provide the facilities for the coordinated program of education, work experience, and vocational education. Each conservation camp will have an overall director, and, for each 100 enrollees, there will be 3 basic education instructors and 1 health and recreation director. In addition, each 100 youths will be supervised in their work experience by 7 to 10 persons from the staff of the appropriate Federal, State, or local agency or private group responsible for the work projects.

The conservation camps will specialize in bringing each enrollee to an eighth grade literacy level through intensive training in fundamentals—reading, writing, and arithmetic. Without these basic skills, it is doubtful whether an enrollee could profit from subsequent vocational training.

The conservation camps will offer these young men an opportunity to break the chain of self-perpetuating defeats and failures and substitute in their place the unique experience of accomplishment and self-fulfillment.

These young men will leave their depressing local surroundings for a totally new start, among new companions and friends. They will live in a well-regulated community under the direction of trained counselors and foremen. They will receive work assignments within their capacity to complete satisfactorily. They will participate in educational and training activities. And they will engage in organized recreation, sports and intracamp activities. Each of these factors will help improve the outlook,

attitudes, job skills, and employability of the Job Corps enrollees.

#### EARLIER PROPOSALS FOR A YOUTH CONSERVATION CORPS

As my colleagues will recall, the conservation camp segment of the Job Corps is patterned after the Youth Conservation Corps which the Senate passed in 1959 and 1963. I first proposed the concept of a Youth Conservation Corps in the 1st session of the 85th Congress—1957. In the 86th Congress, despite the opposition of the Eisenhower administration, a revised YCC bill passed the Senate by a vote of 47 to 45. The House of Representatives failed to act and the legislation died upon the adjournment of Congress. In the 87th Congress, my original bill to establish the YCC was incorporated with President Kennedy's Youth Employment Opportunity Act. Although the votes were probably available to pass this bill, it was decided to postpone consideration until the House had acted favorably. But, once again, the House failed to act and the bill remained on the Senate calendar until the 87th Congress adjourned.

Last year the Senate passed the Youth Employment Act—S. 1—which authorized a Youth Conservation Corps and a Hometown Youth Corps, analogous to the work-training programs contained in part B of title I of this bill.

As one Senator who firmly believes in the validity of the YCC concept for assisting our disadvantaged young people, I enthusiastically support President Johnson's decision to include such a program as part of the Job Corps. I retain my confidence that the large majority of young men will respond affirmatively to the challenge of work, education, and discipline.

Many persons have labored for a substantial period of time to establish a youth conservation corps system in the United States. I should like to note particularly the unflagging efforts of the Citizens Committee for Natural Resources and the National Committee for the Employment of Youth. These two organizations have devoted years of effort to bringing this story of wasted youth and wasted natural resources to the attention of the American public and the Congress. The impressive record of public support which now stands behind the concepts of youth conservation camps and vocational training centers testifies to the success of the labors of these two outstanding organizations. Many other groups have, of course, contributed to this effort which has extended over many Congresses. They all deserve the thanks and congratulations of the American people.

The Job Corps also provides for residential vocational training centers where both young men and women will be assigned. Many centers will be established on the facilities of vacated or underutilized military camps. For example, a former armored division camp with extensive automotive facilities can easily be adapted for intensive training in automobile mechanics.



## WORK TRAINING PROGRAM

Next in title I is the work-training program. Its objective is to make full- or part-time jobs for boys and girls 16 to 21, by providing grants to State or local government or to nonprofit organizations to pay for them.

These groups would be encouraged to develop and conduct useful work projects such as in homes for the aged, in children's nurseries, in libraries or settlement houses. Automation and technological advances have eliminated a great number of jobs that were formerly available to these youngsters. Local initiative is required to find replacements. This part is closely analogous to the Hometown Youth Corps, title II of the Youth Employment Act, S. 1.

The goal is simple: To put idle youth to work constructively and, in some cases, to help prevent high school dropouts by providing part-time work. This program, costing \$150 million, would enroll 200,000 persons and perform many needed community jobs.

The kinds of jobs will, of course, be varied. The trainees could be auto mechanics, they could be nurses' aids, they could be cooks' assistants. They could be anything for which there is a need—in industry, in conservation works, or even neighborhood improvement projects.

The point is that each job will be an important service and will also increase the employability of the youth.

In no instance will the enrollees take jobs from persons now employed.

In no way are the traditional Federal-State-local government relationships impaired by the work-training programs. Congress has already authorized and appropriated funds for many programs that give direct grants or loans to communities.

There are grants made by the Public Health Service and by the National Institute of Mental Health.

There are a number of programs administered by the Welfare Administration and the Vocational Rehabilitation Administration.

The Federal Aviation Agency aids in airport construction with money coming from the Housing and Home Finance Agency and the Small Business Administration.

The budget for the fiscal year 1965 included \$1.5 billion in new obligatory authority, and \$1.4 billion in expenditures for these programs. Clearly, Congress has already set many precedents for direct Federal aid to communities.

## WORK-STUDY PROGRAM

The third part of title I is the work-study program. This will provide grants to colleges and universities, grants to pay 90 percent of the costs of part-time employment for students from low-income families.

The \$72 million slated for this program could provide part-time jobs for 140,000 students. In many cases this will make the difference between attending colleges and not attending.

The concentration of funds will be in the institutions which draw their stu-

dents from low-income families. With these funds the colleges and universities can offer and pay for both service-type work—clerical, maintenance, food service, and so on—and more skilled help in say, library cataloging, or computer programming.

In this area, the program will be coordinated with the Department of Health, Education, and Welfare.

Unfortunately, students from low-income families must be virtually self-supporting during their 4 or more years in college.

Students can and do run radio stations, tutor other students, survey future university construction projects, act as printers—any number of useful occupations.

The work-study program would inspire more schools to originate new jobs as well as enable them to carry on old ones. And it would be the individuals and the institutions themselves which would define this program. As in other areas, the Office of Economic Opportunity would be there for consultation and help but not give orders. This is again the province of local initiative.

The Federal funds provided in title I, part 3, will be distributed among the States according to a three-point formula: This will be based on full-time college enrollment, the number of high school graduates, and the number of children 18 years and under from low-income families—each in ratio to the national total.

Title II contains two basic parts plus a third one authorizing \$340 million for the first year of operation. Part A provides the basis for Federal grants to States and to urban and rural communities in support of community action programs against poverty, and part B sets forth a program of grants in support of State plans for Adult basic education.

## TITLE II, PART A—COMMUNITY ACTION PROGRAMS

Many communities and private organizations within communities have launched programs—a wide variety of them—designed to break the cycle of poverty on a local basis. Some of these programs have produced remarkable results. Two random illustrations will help to prove the value of local action programs: in Jackson City, Fla., 49 persons who had been unemployed for at least 2 years were trained as "cottage parents" for mentally retarded children and are now putting that training to work. In my own State, a St. Paul high school program directed toward children from broken homes resulted in reducing the dropout rate in that high school from the highest in the city to the second lowest. Countless other examples would show the great potential we can find in our back yards for attacking the effects of poverty on employment and employability.

The question then arises: Why include Federal funds in programs initiated and carried out at the local level? The answer is provided by experience: many locally sponsored programs become poverty stricken themselves and have to be

abandoned or limited for lack of adequate financing. There is something both frustrating and tragic when a well-conceived program to provide job counseling, for example, has to be limited to a few people in a local community when many others in the same community need that counseling and could have it if enough funds and manpower were available.

Part A of title II lays the groundwork for expansion of local community action programs. It does no more than to let those programs reach their full potential in stimulating education, employment, job training, vocational rehabilitation, home management, and other vital activities.

The Director would be authorized to direct funds toward approved community action programs. He would do so in accordance with a formula which recognizes prevailing levels of public assistance payments, unemployment, and low income in the States. The Director could pay part or all of the costs of development for these programs, and he may also offer technical assistance to help communities develop their programs.

The specific nature of community action programs supported under this title will necessarily vary a great deal from one community to another. In fact, the virtue of this title is that it permits flexibility in the application of funds by the Director. This much is clear: community action programs which show promise of bringing about long-range solutions of poverty without continued Federal support will be given special, but not exclusive, attention. The Federal function is to support and encourage plans developed and administered locally by public or private nonprofit agencies working together in a common attack on poverty.

It is also clear that State governments are not ignored in this legislation. In fact, States will play a vital role in striking at the roots of poverty, in partnership with local communities, settlement houses, citizens' associations, YMCA's, YWCA's, youth organizations, and religious bodies. Six Governors testified before the House Committee on Education and Labor; not one objected to the arrangements proposed under this bill. In fact, many Governors have endorsed the approach embodied in this bill and stand ready to do their part in making it a force for the elimination of poverty.

The vital ingredients in a meaningful attack on poverty in our communities are adequate funds and coordination of efforts. Part A of title II provides both of these ingredients in an effective and sensible manner at a cost of about \$1.60 per American in the first year of operation.

## TITLE II, PART B—ADULT BASIC EDUCATION

Part B of title II provides for grants to States which have developed plans for improving adult basic education. Aimed at individuals of age 18 and over whose employment opportunities are severely limited by their inability to read



and write English, part B envisions projects designed to improve instructional techniques and materials for adults who are handicapped in this very basic way.

None of us should have to be reminded that basic literacy—the ability to read and write English and to do simple arithmetic—is more often than not the key to livelihood. Without it, a man cannot read simple instructions, he cannot sign his name, he cannot communicate effectively, he cannot learn and follow the countless guideposts he encounters in living, working and moving about. And this is to say nothing of the chance which literacy gives a man to let him mind and spirit grow through exposure to the riches of the written word.

Part B is designed to support adult basic education programs which will be conceived and administered by State and local educational agencies. Again, it is not intended that this program encroach upon State authority or that it replace State or local programs. The Federal function here, as in part A, is to lend a helping hand for State and local programs in need of encouragement, financial support and coordination. Under an allotment formula which takes into account the number of people 18 years of age and older who have completed not more than a fifth grade education or its equivalent, each State will receive a minimum of \$50,000 in support of approved adult education programs.

During the first fiscal year the Federal share of these allotments will be 90 percent; in later years it is reduced to 50 percent. Out of the \$340 million authorized for title II in part C, it is anticipated that \$25 million will be used for the adult basic education programs—a small enough price to pay for improving the employment potential, the skills, and the hopes of nearly 11.5 million Americans.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT RURAL POVERTY

Title III, composed of two basic parts, is aimed at one of the broader and most vicious features of poverty in America—the poverty of small family farmers and other rural Americans who are losing out in an age of prosperity and abundance.

This title authorizes \$50 million in grants and loans for poverty stricken farm families—the “boxed in” families, the dirt-poor farmers caught in a downward spiral by circumstances long since beyond their control.

For decades rural Americans caught in this spiral have taken the only course open to them—to give up and get out. Many have found their way to the cities, only to become misfits and new entries on the welfare rolls.

This is not a mere handful of people I am talking about. One-half of America's poor live in rural areas and about 1.5 million families living on farms are poverty stricken. At this point I can hear the chorus of detractors chanting: “Let them leave the farm; obviously they do not belong there. Let them find a new and more productive life elsewhere and rid our countryside of rural slums.”

That chorus is wrong; that chant is painfully irrelevant for the one million of those farm families which are headed by victims of physical handicaps, poor education and old age. They have become embedded by circumstances in the life of subsistence farming.

While their lot is a miserable one, they are not beyond hope. Title III of this bill can offer that hope by providing seed money, both literally and figuratively. The farmer who will benefit from this title is generally shut out by normal credit sources and often he is ineligible for existing welfare benefits. In short, he lacks even the chance of a new start toward the generation of income.

Part A of title III authorizes grants of up to \$1,500 to low-income rural families which show reasonable promise of using those grants for permanent increases in family income. Such grants could be used to buy, to improve, or to reduce encumbrances on real estate, or they could be used to improve family farm operations by purchasing feed, seed fertilizer, livestock, poultry, equipment, and so forth. Grants could also be used for participation in cooperatives or to finance nonagricultural enterprises which would help to supplement family income. Loans of up to \$2,500 would also be made available for financing such nonagricultural enterprises.

The administration of grants authorized by this title—section 302—would be delegated by the Director to the Secretary of Agriculture, who, in turn, would place implementation in the hands of the Farmers Home Administration and its extensive field staff.

Another section of title III—section 303—authorizes the Director to help public or private nonprofit corporations to acquire land for the improvement of family farms and farming techniques. These family farm development corporations would provide the key to viable farming operations for those farmers being squeezed out of the competition for good land.

Specifically, the family farm development corporations could buy land at the going market rate and sell it to family farms at normal or appraised value. Any loss sustained by the corporation would be made up through a grant from the Director. Adequate safeguards against windfall profits from the sale of land are included in the section: for 20 years after the sale, any amount above original appraised value obtained by resale would revert to the corporation. None of the funds authorized by part A could be used to launch corporate or cooperative farming ventures; part A remains from beginning to end an effort to revitalize those family farmers who need only a decent assist to get back on their feet.

I might add that no one need fear that this program will aggravate the problem of farm surpluses in this country. The farmers involved represent an insignificant portion—less than 1 percent—of total production, and most of that percentage consists of such nonsurplus production as livestock, poultry, eggs, and garden vegetables.

Section 304 authorizes the Director to make loans to local cooperatives furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families. Despite the success of existing credit programs operating through the Farm Credit System, the cooperatives servicing primarily low-income farm families are clearly in need of additional credit sources, and the families themselves are in need of more cooperatives to provide service.

Service for low-income families involves high-risk investment, and normal credit sources are naturally reluctant to provide the boost necessary for success. Nonetheless, the boost must come from some source if the low-income farmer is going to benefit from the savings involved in cooperative marketing and purchasing. Section 304 provides that boost, and the loans it authorizes will be coupled with technical and management guidance by the Farmers Home Administration for new cooperatives as they are established. The Director will also work in cooperation with the Farmer Cooperative Service in implementing this section.

Part B of title III provides assistance for migrant agricultural employees and their families. This large group of Americans, numbering in the hundreds of thousands, has been left by the wayside in one legislative effort after another, year after year. The inspired and persistent efforts of my friend and colleague from New Jersey, Senator Williams, have helped to call increasing attention to the plight of these “forgotten Americans” over the past 5 years.

It would be ironic and tragic indeed if this bill, designed to strike at the roots and the effects of poverty, were to omit necessary assistance to the migrant farmworkers whose labor we take for granted and whose lives are the very definition of poverty.

Part B calls on the Director to develop and implement as soon as practicable a program to assist States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in improving housing, sanitation, education, and day care for migrants and their families. These four types of programs reflect the content of legislation proposed by Senator WILLIAMS and, in three cases, approved by the Senate.

Under part B States and political subdivisions of States would be eligible for both grants and loans; the other groups and agencies mentioned would be limited to loans. The title provides that \$15 million of the \$50 million total authorized for title III could be used for these migrant farmworker programs.

#### TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

Just as title III offers a helping hand to the small marginal farmers, so title IV is intended to aid in the establishment, preservation, and strengthening of small business concerns and in the improvement of their managerial skills.

Long-term loans will be the form of assistance authorized by this title. The Director may make, participate in, or



guarantee loans of up to \$25,000 which would be repayable over a period of 15 years on favorable terms. These loans would be made available only where there is reasonable assurance of repayment, only where financial assistance is not available on reasonable terms from other sources, and only where the amount of the loan, along with other available funds, is adequate to assure completion of the project or achievement of the stated purpose of the loan.

The projects and purposes for which loans would be made are intended to help place the business concerns on a sound managerial basis and to help generate employment of the long-term unemployed. The Director would have the authority to make the loans, or to participate in or guarantee them, but the actual operation of the loan program would rely to a great extent upon the existing machinery of the Small Business Administration and its 15 regional offices. No funds are being requested in this title for the Office of Economic Opportunity; the estimated cost of \$25 million will be absorbed by the Small Business Administration revolving fund.

When we speak of "small business concerns" in connection with this title, we mean just that—concerns employing a handful of people, but which accounted, in the aggregate, for nearly half of the jobs in this country last year. The title specifies that the Small Business Act definition of "small business concern" will apply in this title.

The credit which these concerns need for growth is often impossible to come by because of the insecurity that is a product of their small size. Drug store owners, operators of beauty salons, cleaners, tailors, shoe repairmen—these are the types of businesses for which title IV is intended.

This loan program is not to be confused with the Small Business Administration's regular loan program. It is tailored much more closely to the special needs of very small businesses which operate at marginal levels. Participation in a management training course, for example, might be required of the businessman as a condition for receiving the loan if the Director determines that such training is necessary to achieve the purpose of the loan.

In further contrast to the regular SBA loan program, the Director would be authorized to guarantee the full amount of a loan made by a private lender. The goal here is to bring private resources to bear in the war on poverty.

An overwhelming percentage of all small business failures are the result of poor management. For this reason title IV concentrates on improving the management practices of small businesses. There is clearly no intention to pump money into faltering business concerns simply to prolong the agony; this is both constructive assistance and preventive medicine for those borrowers whose character and ability, and whose credit record, reflects the promise of success.

Finally, no assistance under this title may be provided in a community where the Director has approved a community action program under title II unless that

assistance is determined to be consistent with the title II program, and no assistance may be used to relocate business establishments or to finance subcontractors to perform work normally performed elsewhere by other subcontractors.

#### TITLE V—WORK EXPERIENCE PROGRAMS

Title V authorizes a \$150 million program, in the first year, to support experimental, pilot, or demonstration projects under section 1115 of the Social Security Act. As it now stands, that section provides for such projects in order to promote the objectives of the public assistance titles of the Social Security Act.

The purpose of title V is to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to find and to keep jobs, and to reach that condition so unfamiliar to many of our poor—self-support and personal independence. The Director is authorized to transfer appropriated funds to the Secretary of Health, Education, and Welfare for this purpose; he is directed to carry out the purposes of this title during the next 3 fiscal years.

Again, this is an effort to break the pattern of poverty by fighting family disintegration and abandonment of children, and by promoting the ability and habit of self-support in those who need it so desperately.

Although the Manpower Development and Training Act has been modified to make certain that more of the trainees are from the hard core of the unemployed, not all of the hard-core unemployed will qualify for this sort of training. Many do not have sufficient aptitude, awareness, or confidence to be able to enter training. An interim course of training is offered under this title for such persons, and the Director is required to make maximum use of the Manpower Development and Training Act programs and of Vocational Education Act programs as well.

#### TITLE VI—ADMINISTRATION AND COORDINATION

Title VI contains the administrative framework of the Office of Economic Opportunity and creates the Volunteers in Service to America—VISTA.

First, section 601 establishes the Office of Economic Opportunity in the Executive Office of the President, although the President may transfer the OEO to another part of the executive establishment after the first year.

The Director of the OEO will be assisted by a Deputy Director and three Assistant Directors—all appointed by the President with the advice and consent of the Senate.

Section 602 spells out the Director's authority, which consists generally of the means to make this act an effective one—the power to appoint personnel; to employ experts, consultants and advisory committees; to coordinate his efforts with those of other Federal agencies and with State, local and private agencies involved in the war on poverty; to establish policies, rules and regulations in order to carry out the provisions of the act, and so forth.

Perhaps the most important point to stress here is the role of the Director and the OEO in relation to other Federal

agencies. We have heard the charge that this bill creates a poverty czar with a vast new bureaucracy as his fiefdom.

President Johnson has asked that this program be headed up by the present Director of the Peace Corps, Sargent Shriver. He has already been awarded the title of Czar Shriver by some critics. Let us take a closer look at this vast new bureaucracy over which Czar Shriver will preside.

Taking all of the OEO activities together, the total staff in Washington is estimated to be less than 250. Another 65 in the field staff raises the total to just over 300.

Among other things, that is about 100 less than the total capacity of either of the two cafeterias in the New Senate Office Building.

The total first year budget of the OEO will be less than one-third the welfare funds allotted to the Health, Education, and Welfare Department and less than half the amount that will be spent in similar efforts by the Department of Labor. This looks to me like a rather small puddle for a big frog, much less a fiefdom for a czar. I am trying to remember who said what when the Department of Health, Education, and Welfare was established under President Eisenhower in 1952.

Comparisons aside, Mr. President, the point is simply this: the antipoverty programs of the Federal Government have involved more than a score of agencies and offices, dozens of laws, and hundreds of pages of implementing regulations and procedures. All of these efforts are aimed in the right direction, but the war on poverty will continue in stalemate without a coordinated effort to win it. I said coordination—not duplication, not piracy, not wasted effort. Under its Director, the Office of Economic Opportunity can provide the key to effective coordination and cooperation among the agencies concerned. And for the local or State official or agency, the chance for united effort is increased by the creation of one central office to which they can turn for information and counsel on carrying out effective antipoverty programs.

Also included in title VI is the new domestic counterpart of our highly successful Peace Corps—the Volunteers in Service to America—VISTA. The Director of the Office of Economic Opportunity is authorized to recruit, select and train volunteers to serve upon request in migrant labor camps, mental hospitals, Indian reservations, community action programs and Job Corps camps. VISTA, in the spirit of the proposed National Service Corps so familiar to many of us in the Senate, will be a national clearinghouse for volunteers, matching skills available with the manpower needs of local and State areas.

As in the Peace Corps, selection of volunteers will be made on the basis of detailed applications, references and aptitude. A final screening will be done while the candidate is in training, based on his or her ability to do the work.

About half of the anticipated 5,000 volunteers will be under the jurisdiction of the State or local organization they are serving or a central State office.



The other half will be divided again, some serving in programs outside the 50 States—in the District of Columbia, in Puerto Rico, Guam, or other American territories—and the remainder in conservation camps or in job corps training centers and in federally assisted projects.

Thousands of Americans have already volunteered to serve the needs of other lands. I am certain that many more thousands stand ready to serve their own. Idealism put to practical benefit is a tremendous force to have working for us.

**TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES**

Title VII, very briefly, deals with the treatment of payments made under titles I, II and III of the bill for the purposes of the public assistance titles of the Social Security Act. It provides simply that States and the Federal Government may not reduce public assistance payments to offset earnings or grants received by individuals under these three titles; in other words, such earnings or grants cannot be considered as income or resources for purposes of determining need under public assistance programs of the Social Security Act.

**CONCLUSION**

Mr. President, this bill—the Economic Opportunity Act of 1964—has been called a “must” by President Johnson because, in his words, “it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty.”

This bill is not by any means a complete blueprint for victory over poverty, but it is a beginning—a plan to launch the attack. To carry out this plan, the President has budgeted a total of \$962,500,000. This is barely 1 percent of our national budget.

But it is money to grow on. It is money that will pay dividends, and those dividends are immeasurable. How much is it worth to take a family which has been on relief for three generations—to take this family off the welfare rolls and see its members restored as active, gainfully employed citizens? How much is it worth to see a child adequately fed and clothed, and sitting in a schoolroom rather than laboring in a field?

This is hardly the first piece of social welfare legislation enacted in this country. Nor, I trust, will it be the last—not as long as the American people care about the fate of their fellow citizens.

On the day President Kennedy was assassinated, Walter Heller and the Council of Economic Advisers had already completed a general plan for the war on poverty. It was supposed to have ranked high in the Kennedy administration's 1964 legislative program. President Johnson was in complete agreement with the needs and aims involved, and he has continued to press for the enactment of this program.

By instinct and by inheritance, we are a nation of volunteers. Through a long and distinguished history of aid programs—the Marshall plan, the Peace Corps—we have helped others. Busily engaged as we were and are in Europe, in Africa, in Asia, we have neglected 35 million of our fellow Americans. We

have not done enough about the many pockets of hardship and distress in our own Nation. The need is great and the time is now. We can no longer dismiss poverty as the just reward for the lazy and the dull. We are speaking of human beings, Mr. President—human beings for whom condemnation produces nothing, for whom help offers hope.

As President Johnson has said, “The Great Society is not a safe harbor, a resting place, a final objective, a finished work. It is a challenge constantly renewed, beckoning us toward a destiny where the meaning of our lives matches the marvelous products of our labor.”

This is a great society and the challenge was never more clear. Fortunately for all of us, the ways to meet this challenge exist in abundance. We, as a nation, have the riches and we have the technical knowledge. And now at last we have the awareness. I believe we also have the will.

The Economic Opportunity Act can be the instrument of that will. Far from being a “giveaway” and a “boondoggle”—in the tiresome clichés of the naysayers—this bill is, in effect, a declaration of independence from want. In it, the President has called on us to answer our consciences and mobilize our resources to help America's poor help themselves.

We cannot do less.

Mr. McNAMARA. I yield 3 minutes to the Senator from Indiana.

Mr. HARTKE. Mr. President, as a cosponsor of the Economic Opportunity Act of 1964, S. 2642, I strongly favor passage of this bill. The various titles of the bill are designed to carry out the purposes of the stated declaration or purpose, to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity.

While I support the entire bill, my immediate concern about which I wish to speak is that portion listed as part C of title I, the work-study programs portion of the youth program.

I am particularly interested in this proposal because of the close similarity it bears to a portion of my bill for aid to students in higher education, S. 2490, a bill which was introduced on February 3, some weeks before the present bill was presented on March 16. I wish first to make some remarks on the need and advantages of such a provision as the work-study proposal affords.

The traditions of higher education in this country have consistently included for many of our youth that of working your way through school. Many of us in this body have spent long hours at all sorts of jobs while in college in order to help supply the funds for tuition, room, and board. Scores of our employees here in the Senate, on the Capitol police force, operating elevators, working part time in our offices, are college students at local universities.

The great extent of the outside-work program of college students has been indicated by studies made of the young men and women enrolled in some of our

leading schools. In 1961 at the University of Illinois 48 percent of the single men and 69 percent of the married men attending received income from employment of some kind. The girls are also working their way in many instances, although less extensively. The same study showed that more than half, 59 percent, of the married women enrolled were working and 36 percent of single women. In the same year the University of Wisconsin had a total of 46 percent of its men students and 42 percent of its women students engaged in working for part-time pay as well as working at their studies.

Some of these work opportunities are so-called “campus jobs” which are directly paid for by the institution. But, like the filling-station or other “outside” employment, the bulk of these tend to be menial or low-skill jobs such as grounds tending or janitorial or kitchen and dining room service which contribute nothing to the student's learning process, except the experience of work. The extent of the college-paid jobs may be judged from the fact that in 1959-60 more students received this kind of “work scholarship,” as it is sometimes called, than received regular grant-in-aid scholarships.

Students involved in part-time work are generally in an economic position which makes employment essential to their continuation in school. But the work they do rarely has much correlation with the academic objectives they are pursuing. One of the great advantages of the kind of work-study program embodied in this bill, which closely parallels that of the education bill, is the requirement that, to quote the language of the Economic Opportunity Act, the institution contracting for it will assure that—

(A) the work is related to the student's educational objective, or

(B) such work (1) will be in the public interest and is work which would not otherwise be provided, (2) it will not result in the displacement of employed workers or impair existing contracts for services.

In short, under this concept the work-study opportunity, which is in lieu of a grant, is academically related. Further, again paralleling the Hartke college student aid bill proposals, this assistance will go only to the needy and capable full-time student and for not more than 15 hours of such work per week.

There is a dual benefit involved here, since the uses to which the institution will put its funds are involved with projects not now receiving attention. These may be research or assistance to professors, such practical course-related work as field experience of the social work student, and other opportunities to advance either the academic community or the more general community in which it exists. I am pleased that most of the provisions of this section of the bill so closely parallel, in much of the language even being precisely the same, the provisions of S. 2490, the Hartke college student aid bill.

During the months since the Hartke college student aid bill was introduced, I have received hundreds of letters from



students, parents, and educators commenting on the proposals. One was from President Elvis J. Stahr, of the University of Indiana, former Secretary of the Army and a personal friend. I would like to quote his views on the work-study program, which could be applied fully as well to this bill as to the S. 2490, the Hartke college student aid bill. Under date of May 2 he wrote me:

I rather like the work-study program. We would have great use for it here, where we already have a very large student work payroll, and I should think that, imaginatively used, such a program could be a distinct boon to smaller institutions, providing them, for example, with laboratory assistance, paper graders, library help, undergraduate teaching assistants in courses like elementary math and foreign languages, and perhaps in other ways as well.

From other letters I have received, I should like to quote a few excerpts which indicate something of the need as seen through the eyes of parents. A father writes:

We wrote about scholarships and they were based on averages and he would have to be an A or B student to get them. They are not given on need. \* \* \* Why can't the average student who needs help get it?

Another father writes of a daughter in college and another graduating from high school who has been accepted at Purdue. He says:

I also have five other children besides these two. I am a letter carrier at — and I simply do not make enough money to educate these youngsters.

From a 29-year-old college junior who began college after 10 years away from school, a married man with a family, comes this:

My wife and I have paid for all of my schooling to this point. She has been working and since I have returned to school I have worked between 25 and 30 hours a week part time and trying to raise my average so I could qualify for a scholarship.

Certainly an academically related work program would be most useful to such a student, far more so than indiscriminate labor. Other comments:

How about a little help for the ones that already are missed in scholarships, competitive State exams, and awards made available to the lucky 10 percent at the top?

The (NDEA) loans are never enough to allow you to study without working 20 to 30 hours per week. I don't mean that college should be all fun, but all learning doesn't come from books alone.

We have a large family to educate (11 children). The oldest, a son, is now a sophomore in college, the next, a daughter, is a freshman \* \* \* yet, because we are a middle-income family (not destitute) it has been our experience that scholarship help is very difficult to come by.

I would like to cite one more letter from an educator, Frank C. Adams, director of the student work program at Southern Illinois University. He writes:

More and more people are realizing that not only can students work 2 to 4 hours per day and achieve on an academic level with nonworkers, but in the process acquire a valuable educational experience. Thus, student work can be both an educational and financial aid program.

In conclusion, I would like to think that the proposals in the Hartke college student aid bill have had an influence upon the incorporation of this proposal in the economic opportunity bill. As early as last March I addressed a letter to Mr. Sargent Shriver, in which I called attention to the provisions I have been discussing and said:

I believe that my college student assistance bill has a definite bearing on the poverty fight, and in particular at the point of the work-study program it involves.

For your information and comments, therefore, I am enclosing a copy of the bill and materials concerning its goals and methods. If you should feel that its passage would be of aid in the poverty program. I would appreciate hearing from you.

I support these provisions of the economic opportunity bill, or what has been called the "poverty program," together with the bill as a whole. I am gratified to find that the incorporation of these provisions is, I believe, a more forceful reply than any other could have been.

My concern is in this: This is one step on the path of meeting the needs of our young men and women who want to go to college and are being denied this opportunity because of financial conditions. Surely, we can take the other three steps; namely, to guarantee student loans, to provide scholarship assistance to deserving needy students, and to expand and improve the National Defense Education Act. Senator MORSE meets with his subcommittee on the Hartke college aid assistance bill tomorrow. I urge my colleagues who are interested in an educated America to support this bill now.

Mr. McNAMARA. I yield 2 minutes to the Senator from Nevada.

Mr. BIBLE. Mr. President, material wealth is a paradox. Without wisdom and compassion, it can become moral and spiritual poverty. I bring up this paradox of wealth and poverty because I believe it bears upon every aspect of every argument we have heard on the merits of the President's Economic Opportunity Act now before us.

For the United States is one of the richest nations of the world in material wealth. This is to be applauded, not condemned. Yet I hope our Nation never gains so much wealth and so little wisdom that it will ever risk moral bankruptcy. I hope our Nation never becomes so rich that it can afford poverty, spiritual or material.

This is the question, in essence, before us now.

Since World War II the United States has invested time, money, goods, and manpower abroad to relieve hardship and suffering and to assist new nations with their economic development. At the same time our efforts in this same respect at home have been piecemeal. They have only shown that much more remains to be done. It would seem our attention to poverty abroad has tended to obscure the problem of poverty at home. Our people living in poverty have been forgotten or simply ignored by a majority of their fellow Americans.

This is not to imply that the administration or we in Congress have just recently discovered poverty. We have instead set about recognizing poverty for what it is and directing our full and unified attention to erasing it from the American scene.

We have acknowledged that our efforts so far to eradicate poverty have not been enough. Much remains to be done. And the President is calling upon us to act—now.

What is this poverty? Who are the impoverished?

I will not attempt to repeat the myriad figures we have all studied which define the pockets of poverty in our rich Nation. It is enough to state the fact that there are some 35 million Americans—one-fifth of our Nation—who simply do not have the means to satisfy all their basic needs for health, housing, food, clothing, and education. To these people, poverty is not an economic problem but a way of life, a culture. They are trapped in a cycle of poverty.

They cannot lift themselves out by their bootstraps because they have no boots.

No region, no age group, no race has completely escaped this entrapment of poverty.

Perhaps my own State of Nevada, in some ways, best dramatizes the paradox of wealth and poverty because the State enjoys the highest average income rating in the Nation.

Nevada, with a per capita income 38 percent above the national average, has an estimated 2,000 children under 18 living in families with an income of less than \$1,000 a year. Nevada, whose population leaped more than 58 percent since 1960 to a total of nearly 450,000, has an estimated 7,722 adults with less than sixth-grade educations. Nevada, now enjoying record prosperity, has more than 8,000 in the ranks of the unemployed.

According to the latest figures available, the percentage of families in Nevada with an income of less than \$3,000 a year is well below the national average—12.4 percent in Nevada against 21.4 percent nationally. Yet some sections of my State have no share in this favorable statistic. Lincoln County in southeastern Nevada, although it adjoins one of the richest counties, is a notable example. Lincoln County is a neighbor of Clark County which contains the prosperous Las Vegas area. But in Lincoln County, hard hit because of a depressed mining industry, 32 percent of the families—almost one-third of them—have an income of less than \$3,000. In sharp contrast to most of the State, this county has much more than its share of underprivileged families.

Yet Nevada is far from having the worst poverty problems in the United States. And as I said no region completely escapes this culture of suffering and hardship.

President Johnson asks us to declare war on poverty. His program will mobilize America's greatest resources—her people—and maps the offensive campaign.



I would remind you the program is voluntary and based on the cooperation of government—Federal, State, and local—and private groups.

It will drive at the roots of poverty rather than merely study the symptoms or treat the results.

It will not be a welfare or dole program but an active campaign to help the poor break the cycle of poverty.

The President has asked for \$962,500,000—1 percent of our national budget—to finance the war against poverty in its first year. The bulk of this will go into programs developed and handled in the local community.

The new Office of Economic Opportunity under Sargent Shriver will administer only three of the programs—community action, the Job Corps, and Volunteers in Service to America. Other programs will be run by existing Government departments in cooperation with OEO. These take in grants and loans to needy farmers and facilities for migrant farmworkers, accelerated Small Business Administration loan programs, retraining and education for unemployed parents and work-training and work-study programs for youth in addition to the Job Corps.

I said that no race escaped the entrapment of poverty. This is true. But there is one race which has been particularly hard hit—the American Indian. I would like to discuss the Indian's plight not only because it is of particular concern to me and others here with significant Indian minorities in their States, but to all America as well.

The injustices suffered by our Indians over the years need no repetition now. For the present, these facts speak for themselves: The total population of Indians and Alaskan natives was 552,228 in 1960. Of these some 380,000 come within the programs of the Bureau of Indian Affairs. Most live on reservations far from industrial employment. Poverty is widespread on these reservations.

Family income on Indian reservations averages between one-fourth and one-third the national average.

Average schooling is 8 years—two-thirds the national average.

Average life expectancy on the reservation is 42 years against a national average of 62 years.

Indian high school dropouts are 1½ times the national average.

Conservatively, our Indian citizens now need 60,000 new homes. Nine out of ten Indian families are living in houses which do not even approach minimum standards of comfort, safety, and decency.

There has been some progress in my State and others. I know that I have not been alone in pressing for every worthwhile program to benefit Indians, for the poverty cycle is more vicious and binding for this race than for any other. Yet I know that everything we have done is far too little—and 100 years too late.

All titles of this bill will benefit Indians. Tribal groups have expressed interest in the conservation aspects of the Job Corps program. It is anticipated these groups will be developing community action programs and work-training

programs. Indian farmers, students, and businessmen will qualify for assistance under other sections of the Economic Opportunity Act. And Volunteers in Service to America will be serving on reservations.

These programs, then, are the means to the 20th century and a share in America's economic wealth for the Indians and for the 34½ million other Americans imprisoned in poverty.

I have followed with interest and respect the views of those who oppose this bill. For the most part their dissent is sincere. But I contend that when we are dealing with human bondage it is time to put aside the abstract ideals of varying political philosophies. It is time to stop wasting words on what we should not do and put into action what we can do.

We are back to the paradox. Our Nation, I further contend, is not unwisely rich enough to afford poverty. I hope it never is.

It is simply this: we can conquer poverty. Our Nation, our people, their Government—right now—have the economic, technological, and human resources to conquer poverty.

President Johnson said we need this program "because it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty."

We would be derelict if we did not respond to the President's positive stand—his call to action. History and the American people would not forgive us if we did not respond.

It is time for us to show that America has the wisdom and the compassion which wealth requires. It is time for us to attack, pursue, and vanquish poverty for the first time in the history of any society.

It is time for us to prove that in the wealth of our Nation there is no room for the paradox of poverty.

Mr. McNAMARA. I yield 2 minutes to the Senator from Minnesota.

Mr. McCARTHY. Mr. President, there are several features of the Economic Opportunity Act which deserve emphasis.

First, it deals realistically with the causes of poverty and not only with relief of the suffering of the poor. There is special emphasis on programs for youth who are handicapped by the effects of poverty in their homes. Under terms of the bill several hundred thousand young people will have an opportunity to continue their education, acquire skills and find useful work, all of which will assist them to escape from the pattern of poverty.

Second, the bill recognizes that the war on poverty is a national problem and requires some national planning and coordination, as well as resources. It also recognizes that the most effective work in many instances can be accomplished at the local community level.

The Federal Government will provide grants and technical assistance for urban and rural community action programs, but the development of programs adjusted to meet local conditions and needs will rest with the communities.

Third, the bill places overall responsibility for the war on poverty in one

office. This will assure a direct and continuous effort to meet the problems in a manner which cannot be achieved by officials who have many other duties and responsibilities. The establishment of the new Office of Economic Opportunity will provide efficient coordination of the various programs which necessarily must be somewhat diverse in view of the nature of poverty in America today.

The Office of Economic Opportunity will operate the Job Corps, the community action programs, the special programs for migrant workers, and the program for Volunteers in Service to America. It will also distribute funds to existing agencies which will administer several of the programs proposed in the bill. The work-training programs will be administered through the Department of Labor. The Department of Health, Education, and Welfare will administer the work-study program, the adult basic education program, and the community work and training projects for welfare recipients. Several projects to meet the problems of rural poverty will be administered through the Department of Agriculture, while small business loans made as a part of the war on poverty will be handled by the Small Business Administration.

No claim is made that this bill represents the total effort that should be made. But the bill represents a comprehensive and constructive approach. It is one which will strengthen America. I commend the committee and the chairman for their work on the bill and urge its passage.

Mr. McNAMARA. I yield myself 2 minutes. Mr. President, a reading of the minority report on S. 2642 is like getting a preview of one-half of the 1964 presidential campaign.

In fact, the minority report sounds much more like a speech from the Cow Palace in San Francisco than a serious discussion of important legislation.

The report even quotes from the newly adopted Republican platform, which may or may not represent the views of members of that party.

In short, the minority views are caustic, rather than constructive; political, rather than penetrating; and noxious, rather than nourishing.

The minority seeks to attack the legislative history of the bill, implying that it received scant attention by the Committee on Labor and Public Welfare.

It is correct that there were only 4 days of hearings. However, the hearings were ended only when the minority had no more witnesses to present.

More importantly, a glance at page 4 of the majority report will show that various programs which are drawn together in this legislation have had extensive and thorough study by the committee over the years.

The minority report shows a distressing lack of knowledge of or compassion for the true nature of poverty. For example, it holds that the simple solution to unemployment of the unskilled is to give them skills.

This glib panacea completely overlooks the fact that many of the young people who are mired in the swamps of poverty



have had no opportunity for education or a chance to develop the study and work habits necessary to learn such skills.

That is why we say this legislation is truly aimed at the causes of poverty and seeks to correct these basic faults.

The minority report compounds its truly incredible lack of understanding by suggesting, for example, that the Job Corps would "weaken the family relationship" and "sever the tie between parent and child."

In other words, the minority finds it preferable to keep poverty in the family. What is good enough for dad is good enough for the son, even if it means a lifetime of hopelessness.

In any event, the ridiculousness of this position is more clearly shown by the fact that many thousands of young people join the armed services each year, without any noticeable danger to "family ties."

And those parents fortunate enough to be able to send their children away to preparatory schools and colleges seem to fear no particular weakening of family relationships.

I deeply regret the combative nature of the minority attack on this legislation, because it does a disservice to a serious and sincere effort to strengthen our Nation and its people.

I might suggest that if the Republican Party and its standard bearer are truly concerned about "violence in the streets" and "aimlessness among our youth" support of this legislation is a good place for them to start.

In closing I would like to comment on the minority charge that this legislation is aimed at securing votes.

If President Johnson wins votes through this legislation, I certainly would be pleased.

However, I give the voters more credit for intelligence than the minority seems to, because I believe we would get those votes only if the people truly approve of our objectives in this war on poverty.

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter I have received from a constituent that sheds light upon the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 15, 1964.

Senator JOHN C. STENNIS,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR: I recently made application and took a test for counselor aid, a position offered by the Federal Government in connection with the poverty program and disadvantaged youth. I was selected for training. Enclosed please find a copy of a telegram I received from Mr. Robert C. Goodwin, of the Bureau of Employment Security. Naturally I refused since the training was offered at an all-Negro institution [Tuskegee Institute]; my safety would be endangered if I attended such a place of training.

You probably noted the recent article in the news concerning the 12 white persons selected in Arkansas for this program. They were instructed to attend Fisk University in Nashville.

I thought you would be interested in this small matter since it demonstrated the Federal Government's efforts to force integration.

Keep up the good work. We are all behind you.

Your constituent,

Mr. TOWER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by Representative PETER FRELINGHUYSEN, of New Jersey. The statement contains a summary of his views on the poverty bill, when he testified before the committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We considered a bill identical to the one before you, and reported it with about 100 amendments. In my judgment, not one of the amendments improved the nature of this unnecessary, hastily conceived, sloppily drafted, and dangerous proposal.

Our committee yielded to intense political pressure and favorably reported a bill which, in the absence of urgent commands from the highest level of the executive branch, would have been laughed out of Congress.

What, then, is left to justify the establishment of a new Federal agency? Obviously, the only justification is that some new form of coordination is required in the executive branch which cannot be secured through customary interagency cooperation and by Presidential direction.

This single justification did not materialize. The Secretaries of Labor, Agriculture, Commerce, and Health, Education, and Welfare all declined to say that they were unable to coordinate programs between agencies.

The language of the bill is that of absolute authority. The Director is authorized to do such-and-such, and he is authorized to do it on the basis of criteria established by himself. He decides. He determines what is to be done, how, and why. He even decides who should receive the benefits. This is not a coordinating function, unless Ivan the Terrible could have been described as coordinator of all the Russians.

This proposal does not give hope of any new way of attacking the causes of poverty. For example, the highly touted Job Corps is, at very best, a costly and temporary aid to a relatively small number of young men and women. It is an attempt to solve one of the central social problems of the 1960's by reviving an emergency program of the 1930's.

This bill opens the way for direct Federal involvement in the activities of every private organization in every community in this country, without the necessity for participation or approval of either State or local government. It does this in such a way as to give a Federal bureaucracy the maximum leverage to shape the programs and policies of both public and private agencies, and to determine the social and economic fields in which those programs will be concentrated.

This new Federal agency could benefit, in any community, either the Urban League or the White Citizens Council, the Planned Parenthood organization or Catholic charities. I submit that this is not the proper role for government at any level.

It will be contended with glib assurance that community planning projects must be initiated at the community level. But any reasonably alert college student would know that the power to approve projects is the power to shape them.

The only authority accorded State government in all this is the right of a Governor to comment on projects carried out in his State. This is so meaningless as to be insulting. Local public officials, however, are not given even this empty courtesy.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. McNAMARA. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from California [Mr. ENGLE] and the Senator from Massachusetts [Mr. KENNEDY], are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Texas [Mr. YARBOROUGH], are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Texas [Mr. YARBOROUGH], would each vote "aye."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from Colorado [Mr. DOMINICK].

If present and voting, the Senator from California would vote "aye" and the Senator from Colorado would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK] is necessarily absent and is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from California would vote "yea."

The result was announced—yeas 62, nays 33, as follows:

[No. 482 Leg.]

YEAS—62

|              |              |                |
|--------------|--------------|----------------|
| Aiken        | Hartke       | Monroney       |
| Bartlett     | Hayden       | Morse          |
| Bayh         | Humphrey     | Moss           |
| Bible        | Inouye       | Muskie         |
| Brewster     | Jackson      | Nelson         |
| Burdick      | Javits       | Neuberger      |
| Byrd, W. Va. | Johnston     | Pastore        |
| Cannon       | Jordan, N.C. | Pell           |
| Case         | Keating      | Prouty         |
| Church       | Kuchel       | Proxmire       |
| Clark        | Long, Mo.    | Randolph       |
| Cooper       | Long, La.    | Ribicoff       |
| Dodd         | Magnuson     | Scott          |
| Douglas      | Mansfield    | Smathers       |
| Edmondson    | McCarthy     | Smith          |
| Ervin        | McClellan    | Symington      |
| Fong         | McGee        | Talmadge       |
| Fulbright    | McGovern     | Walters        |
| Gore         | McIntyre     | Williams, N.J. |
| Gruening     | McNamara     | Young, Ohio    |
| Hart         | Metcalf      |                |

NAYS—33

|           |               |                |
|-----------|---------------|----------------|
| Allott    | Goldwater     | Pearson        |
| Beall     | Hickenlooper  | Robertson      |
| Bennett   | Hill          | Russell        |
| Boggs     | Holland       | Saltonstall    |
| Byrd, Va. | Hruska        | Simpson        |
| Carlson   | Jordan, Idaho | Sparkman       |
| Cotton    | Lausche       | Stennis        |
| Curtis    | Mechem        | Thurmond       |
| Dirksen   | Miller        | Tower          |
| Eastland  | Morton        | Williams, Del. |
| Ellender  | Mundt         | Young, N. Dak. |

NOT VOTING—5

|          |         |            |
|----------|---------|------------|
| Anderson | Engle   | Yarborough |
| Dominick | Kennedy |            |

So the bill (S. 2642), was passed, as follows:

S. 2642

An act to mobilize the human and financial resources of the Nation to combat poverty in the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this



Act may be cited as the "Economic Opportunity Act of 1964".

#### Findings and Declaration of Purpose

SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

#### TITLE I—YOUTH PROGRAMS

##### Part A—Job Corps

##### Statement of Purpose

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

##### Establishment of Job Corps

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corp (hereinafter referred to as the "Corps").

##### Job Corps Program

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems

necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

##### Composition of the Corps

SEC. 104.(a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.). Only in exceptional cases shall enrollees in the Corps be graduates of an accredited high school, and no person shall be accepted for enrollment in the Corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

##### Allowance and Maintenance

SEC. 105.(a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided*, however, That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

##### Application of Provisions of Federal Law

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c) (1) Enrollees under this part shall, for the purposes of the administration of the

Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee—

(i) while on authorized leave or pass; or

(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1)) shall apply to enrollees.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strengths under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

##### State-operated youth camps

SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part



or all of the operative or administrative costs of such programs.

#### Requirement for State Approval of Conservation Camps and Training Centers

SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

#### Part B—Work-training programs

##### Statement of Purpose

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

##### Development of Programs

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

##### Financial Assistance

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public

educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

##### Enrollees in Program

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youth through public agencies or private nonprofit organizations.

##### Limitations on Federal Assistance

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

##### Equitable Distribution of Assistance

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

#### Part C—Work-study programs

##### Statement of Purpose

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

##### Allotments to States

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so re-

served shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

##### Grants for Work-Study Programs

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963 (Public Law 88-204) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

##### Conditions of Agreements

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or

(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee;



*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institutions for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### Sources of Matching Funds

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### Equitable Distribution of assistance

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### Part D—Authorization of appropriations

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose

of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

##### Part A—General community action programs Statement of Purpose

SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

##### Community Action Programs

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof, with maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

##### Allotments to States

SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause

will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

##### Financial Assistance for Development of Community Action Programs

SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

##### Financial Assistance for Conduct and Administration of Community Action Programs

SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient



low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

#### Technical Assistance

SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

#### Research, Training, and Demonstrations

SEC. 207. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of research, training, and demonstrations pertaining to the purposes of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

#### Limitations on Federal Assistance

SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

#### Participation of State Agencies

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

(c) In carrying out the provisions of title I and title II of this Act no contract, agreement, grant, loan, or other assistance shall be made with or provided to, any private nonprofit or other private institution or organization for the purpose of carrying out any program, project, or other activity within a State, except where such institution or organization is operating in conjunction with, or under the authority of, a public agency, unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty

days of such submission: *Provided, however*, That this section shall not apply to contracts, grants, loans, or other assistance to any institutions of higher education in existence on the date of the approval of this Act.

#### Equitable Distribution of Assistance

SEC. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; and (6) persons rejected for military service.

#### Preference for Components of Approved Programs

SEC. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

#### Part B—Adult basic education programs Declaration of Purpose

SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

#### Grants to States

SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

#### State Plans

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form

and containing such information, as may reasonably be necessary to enable the Director, to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### Allotments

SEC. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved un-



der this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

#### Payments

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

#### Operation of State Plans; Hearings and Judicial Review

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director

may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

#### Miscellaneous

SEC. 218. For purposes of this part—

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(2) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

#### Part C—Voluntary assistance program for needy children

##### Statement of Purpose

SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

##### Authority To Establish Information Center

SEC. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

##### Part D—Authorization of appropriations

SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

##### Statement of Purpose

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

##### Part A—Authority to make grants and loans

SEC. 302. (a) The Director is authorized to make—

(1) loans of not to exceed \$1,500 to low-income rural families where, in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

(C) participate in cooperative associations; and

(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, to finance nonagricultural enterprises which will enable such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs. The Director may reduce or release obligations resulting from a loan made under this section if he finds that the debtor has attempted in good faith to comply with his loan obligations and that either the objective for which the loan was made will likely not be achieved or the indebtedness exceeds the debtor's reasonable payment ability.

##### Cooperative Associations

SEC. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

##### Limitations on Assistance

SEC. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

##### Loan Terms and Conditions

SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;



(e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and

(f) no financial or other assistance shall be provided under this part or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

**Part B—Assistance for migrant agricultural employees and their families**

SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

**Part C—Authorization of appropriations**

SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other title of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

**Part D—Indemnity payments to dairy farmers**

SEC. 331.(a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1966.

**TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES**

**Statement of Purpose**

SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skill and resources.

**Loans, Participations, and Guaranties**

SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however*, That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other

methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

**Coordination With Community Action Programs**

SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

**Financing Under Small Business Act**

SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

**Loan Terms and Conditions**

SEC. 405. Loans made pursuant to section 402 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations—

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

**Limitation on Financial Assistance**

SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

**Duration of Program**

SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

**TITLE V—WORK EXPERIENCE PROGRAMS**

**Statement of Purpose**

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training

available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

**Payments for Experimental, Pilot, and Demonstration Projects**

SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

**Authorization of Appropriations**

SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

**TITLE VI—ADMINISTRATION AND COORDINATION**

**Part A—Administration**

**Office of Economic Opportunity**

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332–3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.



### Authority of Director

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expand, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans,

participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

### Volunteers in Service to America

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of train-

ing), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

### Economic Opportunity Council

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

### National Advisory Council

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

### Revolving Fund

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.



## Labor Standards

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

## Reports

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

## Definitions

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

- (1) the spouse or child of an enrollee, and
- (2) any other relative who draws substantial support from the enrollee.

## Part B—Coordination of antipoverty programs

## Coordination

SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

## Preference to Community Action Programs

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

## Information Center

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

## Prohibition of Federal Control

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

## Authorization of Appropriations

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

## TITLE VII—TREATMENT OF UNEMPLOYMENT COMPENSATION BENEFITS AND INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

## Unemployment Compensation

SEC. 701. (a) No individual who otherwise is entitled, under title XV of the Social Security Act or the unemployment compensation law of any State, to any unemployment benefit shall be denied such benefit, or have such benefit reduced, solely because he or any other person participated in any work, training, or other activity, provided by any program established by, pursuant to, or assisted under, title I or II of this Act.

(b) No individual shall be denied participation in any work, training, or other activity provided by any program established by, pursuant to, or assisted under, title I or II of this Act solely because he, or any other person, receives, or is entitled to receive, any benefit under any unemployment compensation law.

## Public Assistance

SEC. 702. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of

any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. RANDOLPH. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the bill as amended be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, I ask unanimous consent that my individual views, which appeared in the committee report, be printed in the RECORD.

There being no objection, the individual views were ordered to be printed in the RECORD, as follows:

## INDIVIDUAL VIEWS OF MR. PROUTY

It is not enough for us to proclaim that as a people and as a nation we are against poverty. Such a manifesto is negative in tone and tells nothing of what we are for.

I shall not rest satisfied should that day come when the income of every American family exceeds only \$3,000. The aim of a mighty and majestic country is not to place its citizens on some miserable plateau between poverty and affluence. Rather it is to elevate all of our people to an economic crest where each may share in the abundance that is part and parcel of America.

It goes without saying that to help the poor, we must determine first "Who are the poor?" Then we must determine how we can best assist them to attain an economic level far beyond the abject conditions in which they find themselves.

If there are to be Government programs, let them be ones which will prevent a family's fall into poverty or give people a hand to rise above it and not simply suspend them above the well of despair until after a political election only to let them return to their former condition.

What indeed are the causes of continued poverty and the characteristics of the poor? They are:

Limited education: About 60 percent of the country's poor families with some 21 million people have as the head of household a person who did not go beyond the eighth grade. These breadwinners with low education are trapped in poverty because unskilled labor is no longer in demand.

Old age: Using the \$3,000 annual income test, 47 percent of the families headed by a person over 65 are impoverished. Even if the poverty yardstick is lowered to \$2,000, there would still be 4,500,000 aged people



who could be classed as poor. If single individuals with incomes under \$1,500 are taken into account, the number of aged poor persons would be approximately 7 million.

**Female headship:** Illegitimate children and children whose fathers have died or deserted make up a substantial percentage of the poor. Forty-eight percent of American families headed by women have incomes below \$3,000 a year. These families make up about one-fourth of the Nation's poverty stricken.

**Handicapped breadwinners:** About 2.5 million disabled persons in 1963 were in need of vocational rehabilitation or a job opportunity. A recent national survey by the University of Michigan indicated that educational attainment and incomes of disabled family heads were markedly lower than for all workers with family responsibilities who were surveyed.

**Race and discrimination:** Approximately 44 percent of America's nonwhite families with about 8 million people are in the poverty category. While the vast majority of these people are Negroes, the figure also takes into account a majority of the country's 552,000 Indians, particularly the 40 percent who live on reservations. For the latter, the unemployment rate runs between 40 and 50 percent.

**Residents in rural areas:** In 1964 there are nearly half a million fewer farms than there were in 1960 and the farm population during these years has been decreased by at least 2½ million people. There are still 1½ million families, or about 6 million people, who live on marginal farms and have cash incomes under \$3,000 a year. In addition there are 9 million nonfarm people who live in rural areas and receive incomes below the poverty line. This figure encompasses the Nation's migratory farmworkers and their families, or about 2 million people.

**Young people:** 31 percent of families headed by a person under 24 years of age, constituting about 2 million people, are said to be poor. Furthermore, on an annual average well over half a million young people between the ages of 16 and 21 are both out of school and out of work.

**Unemployment:** About one-third of all U.S. families with unemployed heads are listed as poor by the Council of Economic Advisers. Many of these families have a breadwinner whose unemployment compensation has run out.

These, then, are the poor. It would serve us well to ask ourselves what, if anything, the reported bill does to pave the way for a permanent increase in their incomes and to elevate them to a status of prosperity.

We have seen that limited education is one of the chief causes of poverty. What does the reported bill do to improve the quality of education in poverty impacted areas and to help identify those who are potential school dropouts? The answer is virtually nothing.

We have noted that the aged constitute more than 7½ million of the Nation's poor. Indeed, one-fourth of the male retired workers get \$60 a month or less in social security benefits and the situation is twice as bad for the retired female worker. It is common knowledge that 4 out of 10 welfare recipients are people on the social security roles.

What does the bill do to aid these aged folks who have made this Nation what it is today? When asked this question Sargent Shriver responded that no provision in the bill relates specifically to the aged, but that title II might provide some help. What help he did not say.

We have seen also that about one-fourth of the Nation's poor live in homes headed by a female breadwinner. Mr. Shriver indicated title II of the bill would "help her, not financially, perhaps, but help her in fulfilling her responsibilities." He did not contend that

title II would in any way increase the income of the female family head.

In short, the provisions of the bill and the attitudes of the committee and the administration completely overlook, or largely ignore, the fundamental question—who are the poor?

For my own part, I believe that social and economic problems require social and economic—not political—solutions.

Despite his party leanings, it is incumbent upon each Senator to consider alternative proposals which provide an imaginative approach to the domestic problems which the poor pose for us.

Let us look beyond some of the tired old offerings which are in the reported bill. These have been dutifully advanced year in and year out, and year in and year out they have been rejected or ignored by the Congress. I say "dutifully advanced" simply because they were thought to be good enough in the thirties, and, so the argument runs, they should be even better for the country's ills today.

Such reasoning is in total conflict with three decades of economic change and is absolutely oblivious to the technological revolution which has taken place.

Earlier this year, Senator JORDAN of Idaho and I submitted to the Committee on Labor and Public Welfare, a number of proposals for a comprehensive employment and manpower policy in the United States. These views are contained in a document prepared by the Subcommittee on Employment and Manpower and because they deal in so many ways with the problems of the poor and the unemployed, I am incorporating them in this report for the consideration of the Senate.

#### PEOPLE AND JOBS—A PROGRAM FOR THE PREVENTION OF UNEMPLOYMENT AND THE ALLEVIATION OF ITS EFFECTS

(A report prepared by WINSTON L. PROUTY, U.S. Senator, and LEN B. JORDAN, U.S. Senator, of the Subcommittee on Employment and Manpower, Committee on Labor and Public Welfare, U.S. Senate)

"There is no economic failure so terrible in its import as that of a country possessing a surplus of every necessity of life in which members willing and anxious to work are deprived of these necessities."

##### 1. SUMMARY OF RECOMMENDATIONS

##### *Adjustment to technological change: A key to more jobs*

##### A. Education and Training Recommendations

1. Many sons and daughters of America's needy require additional help if they are to prepare themselves with the higher education required for professional and semiprofessional positions.

We therefore recommend that either of two plans be adopted.

The first is known as the Ribicoff tax credit plan, which we cosponsored when it came before the Senate as an amendment to the Revenue Act of 1964. This plan would provide a credit against taxes for the costs of education attributable to tuition, books, and fees. The greatest allowance would go for the first \$200 of expense, with a total of \$1,500 of college expenses being eligible for preferred tax treatment. This plan would be keyed to the education of deserving young men and women in the lower income brackets and the benefits would be available to anyone paying the cost of the schooling.

The second possibility would be the so-called Prouty plan, which was offered as an amendment to the Revenue Act of 1964. Under this proposal working students would be allowed deductions for education expenses up to \$1,200 for undergraduates and \$1,500 for graduate students.

##### Recommendation

2. We propose that we supplement the Manpower and Development Training Act by encouraging private enterprise to help train new workers.

Accordingly, we recommend that employers be given a tax credit equivalent to the magnitude of the credit extended for investment in personal property under the Revenue Act of 1962 for investments in our human resources.

We propose, also, that an employer be allowed a credit against tax of 7 percent for sums expended by him in training or retraining any of his employees about to be displaced by automation or mechanization. Secondly, we propose to allow an employer a 6-percent credit against tax for sums expended for the training of new employees for job skills needed within the industry. These credits shall be allowable only if immediately subsequent to the conclusion of the training period the trainee becomes gainfully employed by the training employer.

3. As indicated previously, Congress has already given some consideration to the question of allowing individuals tax relief to offset the costs of obtaining a higher education. We favor this approach, but we feel that its scope could and should be broadened to benefit those individuals who take education or training in vocational subjects at the post-high-school level.

##### Recommendation

4. We believe that the Manpower Development and Training Act can play a more important role in facilitating adjustment to the technological revolution.

Today, all too often the unemployed worker or the youth who enters the labor force finds that he cannot take full advantage of this statute until training classes are set up which have some applicability to his particular problem and his special aptitude.

Either the Manpower Development and Training Act is faulty in language or else it is defective in administration. An unemployed worker may have a potential or aptitude unlike other jobless people in his area. His future should not depend on the ability of Federal and State officials to find other individuals who need or want the same type of training.

We recommend that Congress and the administration work together on this problem so that under the Manpower Development and Training Act a single unemployed worker may be assisted while attending a private vocational education school or technical institute.

##### Recommendation

5. About 19,000 of the 110,000 people who were rehabilitated last year had been on the public assistance rolls or were living in institutions at public expense. These persons, who are now wholly or partially self-supporting, were rehabilitated at an expense of \$19 million, a sum approximately equal to what they were receiving in public assistance.

These figures spotlight the fact that vocational rehabilitation is extremely sound from both a humanitarian and an economic standpoint. We commend all those who played a part in the administration and operation of our State-Federal program and we urge that this program be expanded so that more individuals can be restored to productive lives.

##### Recommendation

6. We supported the Vocational Education Act of 1963 with enthusiasm because in the counseling field it took a big step toward correcting the deficiencies which exist at the present time. The act encourages and assists our institutions in providing guidance and counseling for children in the seventh and eighth grades. This is a fine beginning, but more must be done.



Of the 26 million youths who will enter the labor force in the 1960's, 2½ million will not get past the eighth grade. These figures bring sharply to focus the need for proper counseling before youngsters have already decided that they are going to leave school.

We therefore recommend that existing statutes be amended to aid educational personnel to identify and counsel the potential school dropout at the fifth- and sixth-grade levels.

#### Recommendation

7. We would urge the States to consider the desirability of permitting individuals who are willing to take training or retraining to receive unemployment benefits up to normal amounts.

#### B. Labor Mobility Recommendation

1. To help the worker who finds it difficult to move to new areas where there is greater opportunity we recommend the following:

(a) That we consider giving a subsistence or transportation allowance to unemployment insurance claimants who actively seek work in areas far from home.

(b) That the tax deductibility of the cost of moving to seek a new job be broadened to include items and expenses not now permitted.

(c) That a national conference of business and insurance organizations be convened to consider the development of programs for the transferability of pensions for individual workers who change jobs.

(d) That the Internal Revenue Code be amended to alter the definition of "home." This should be changed from the place of a worker's chief employment to the place where he, in fact, has his home and keeps his family.

#### C. The U.S. Employment Service: Matching Men With Jobs

##### Recommendation

1. We join the minority members of the Joint Economic Committee in recommending the establishment of a national clearinghouse for the identification and classification of emerging skill requirements, of existing skill needs, and of obsolescent skills.

The clearinghouse should also keep an up-to-date list of job vacancies for the use of the U.S. Employment Service, employers, private employment services and others so that jobs and men can be brought together.

##### Recommendation

2. The monthly reports on the labor force are used by many public and private sources as one measure of the Nation's economy. Yet the concepts and techniques which are used to record unemployment have been called in to question by responsible representatives of labor, management, and the public.

We urge that an impartial committee be appointed to develop better ways and means of obtaining more precise information on the extent and character of employment, unemployment and underemployment.

#### *Alleviating the impact of joblessness: The road back to employment*

#### A. Installment Debt Assistance for Unemployed Workers

##### Recommendations

1. When he is jobless, the worker and his family frequently cannot make payments on goods they have purchased on the installment plan.

We therefore recommend as a proper subject for labor-management negotiations the establishment of unemployed workers' revolving funds which would give the jobless temporary assistance in paying installment debts.

2. We further suggest that all governments, Federal, State, and local, investigate this problem with a view to taking such supplementary action as may be necessary.

3. The establishment of installment debt funds with carefully drawn safeguards would prevent the destruction of incentive and would protect the families of the unemployed.

#### B. Establishment of a System of Mortgage Unemployment Insurance for the Purpose of Preventing Home Foreclosures Resulting From Extended Unemployment

##### Recommendation

The minority on the Joint Economic Committee have pointed out that real estate foreclosures have jumped drastically in recent years and that the same has been true of mortgage loan delinquencies.

Curtailment of income was the main reason for foreclosures given by 35 percent of all FHA borrowers and by 40 percent of the VA borrowers.

In view of the foregoing, we strongly suggest that there be established a system of mortgage unemployment insurance for the purpose of preventing foreclosures resulting from lengthy unemployment. Insurance of this kind could sharply reduce foreclosures.

#### C. Allowing for Federal Income Tax Purposes a Deduction for Loss of Income Due to Unemployment

##### Recommendations

1. We would suggest a proposal that is designed to provide relief for the individual who is unfortunate enough to become unemployed.

Under our plan the individual would be allowed a deduction for any loss of income he may experience because of unemployment, provided he registers with the U.S. Employment Service and actively seeks work. If the taxpayer, in the year of unemployment, does not have enough taxable income against which he can offset the full loss, he could carry over any unused part of the deduction to another income year.

2. In the alternative, we recommend that some thought be given by the congressional committees responsible for income tax legislation to "income averaging" for individuals experiencing a rapid and sharp downturn in annual income. In this session of Congress we enacted into law a provision which clarified and extended the "income averaging" provisions of the Internal Revenue Code, sections 1301-1305, for individuals whose income undergoes a sudden upward surge. While the merits of this provision cannot be denied, isn't there even greater equity for a similar type of tax treatment for the person suddenly unemployed, suddenly without any income whatsoever?

#### D. Unemployment Compensation for High Level Unemployment

##### Recommendations

1. We recommend enactment of a program designed to supplement the regular unemployment insurance program at any time in the future when unemployment nationally increases beyond the level for which the regular program would be responsible.

This program would include the following features:

(a) Grants from the Federal Government to the States to help pay for supplementary benefits during times of national high level unemployment.

(b) Extra benefits would be paid during the recession for about 13 weeks beyond the normal compensation period.

(c) The standby unemployment compensation program would go into effect when certain economic indicators show that trouble is ahead.

#### *The war on poverty: the lost battalions*

#### A. Public Welfare and Social Security Recommendation

1. Almost 4 out of every 10 welfare recipients receive social security benefits.

Certainly the major cause of this situation is the size of the benefit itself. It can be as low as \$40 a month and averages just a little over \$75 a month.

Moreover, the social security "retirement test" or income limitation hinders older people from working to bring their income up to a level of decency.

The administration declares "total war" on poverty but does not suggest amendment of existing programs which are perpetuating the disease.

We recommend that the social security income limitation be liberalized so that it will not prevent older persons from pulling themselves up to a dignified and meaningful existence.

#### B. Making Social Security Benefits Available to All Persons 70 Years of Age or Older Who Have No Pension From Any Public Source

##### Recommendation

1. The original social security law did not cover many people who should have been covered, and although its cope has been expanded over the years, a significant number of persons do not fall under the umbrella of its protection.

We speak now of those individuals who worked throughout their lives and who are now too old to return to work to earn coverage under the provisions of an expanded law—those persons who are 70 years of age or older.

We recommend that these individuals who receive no pension from any public source be made eligible for social security benefits.

#### C. Widow's Social Security Benefit Election

##### Recommendation

1. We believe that the social security law should be amended to provide that any woman who draws widow's benefits under the social security system and works at the same time may elect to be exempted from coverage so that she need not make contributions for which she would be likely never to receive benefits. In addition, she should receive a refund of any contributions she may have made to the system prior to drawing benefits.

#### D. Surplus Foods for the Needy

##### Recommendation

1. The food stamp program which was hailed as a bold new step has been a limping one.

Despite the privation in many poverty-stricken areas the administration failed to use more than a fraction of the money allocated for this program. Now in an election year it expresses its concern for the poor.

Moreover, the first 26 pilot plans were all placed in the districts of Democrat Members of Congress.

The minority does not question the need for the expansion of our surplus food programs, but in fact recommends that these programs be made effective for the first time and that human, not political, need be the criterion for distribution.

#### E. School Lunch and School Milk Programs Recommendation

1. No better investment can be made than to increase funds so that wholesome lunches and milk will be available to all children of school age. Special assistance in providing these programs should be given to all economically deprived areas. Amendments to the national school lunch program in 1962 authorized the appropriation of up to \$10



million to provide special assistance to schools drawing attendance from areas in which poor economic conditions exist.

Since 1962 the budget has included either a small appropriation or none at all for this purpose when, instead, the appropriation could be greatly increased to meet the needs of the economically depressed areas. Currently, the budget request calls for only \$2 million for special assistance to needy schools.

We therefore recommend that the school lunch and school milk program be expanded to reach all the underprivileged children of our land.

#### F. Medical Profession's Loan Program Recommendation

1. We must offer some special incentive to encourage doctors to practice in needy areas. We believe that one effective approach would be to add a loan forgiveness clause such as that proposed in S. 2220 to the Health Professions Educational Assistance Act. This provision, which was in the original bill, would provide up to 50 percent forgiveness on loans made under this act to doctors who practiced in areas designated by the State to have a shortage of physicians. Ten percent would be forgiven for each year of practice. This could mean forgiveness of as much as \$4,000 plus interest, which would be strong encouragement to a young doctor to practice in a designated area. We owe it to the citizens of this country, both rich and poor, who are financing this program, to do as much as we can to alleviate the doctor shortage where it is most severe—in the rural and impoverished areas.

#### G. Better Schools and Teachers for "Poverty Impacted" Areas Recommendations

1. All too often we find that in poverty areas where the highest quality of education is needed, there is found only the lowest. Therefore, we recommend a general upgrading of the schools in these areas.

2. In addition, we recommend that the forgiveness features of the National Defense Education Act's loan program be increased for those who agree to teach in poverty impacted areas. Currently, for those preparing to be teachers, up to 50 percent of the National Defense Education Act's loan can be "forgiven" when the student actually teaches for a specified number of years. If this percentage could be upped to 75 percent for teachers in poor communities, students might give work in these areas higher priority.

#### H. Overtaxation of the Poor: An Administration Policy Recommendation

1. While we voted in favor of the tax cut bill, we deeply regret the failure of the Senate to approve any of the numerous Republican amendments brought before it providing for repeal or reduction of certain excise taxes. Rejection of these amendments because of administration opposition has withheld tax relief where it is really needed—at the lower income levels.

Excise taxes are regressive: they are levied contrary to our generally accepted principle of taxation which is based upon ability to pay. They exert the heaviest burden on those with lower incomes who can least afford to pay them. While lower income tax rates provided in the tax bill will give some measure of relief to individuals in middle or higher income tax brackets, no relief is given to those individuals who do not receive enough income to pay any Federal income tax.

We therefore recommend that many of our excise taxes be modified or repealed, particularly those which are imposed on necessities.

#### Special group problems

##### Recommendations

In addition to such statutes as have been or may be enacted at the Federal and State levels to protect minority groups against discrimination, we urge the following:

1. That labor and management include in their collective bargaining agreements positive contractual obligations barring discrimination of any kind.

2. That organized labor and management exert maximum efforts through education programs to show the need for equality of opportunity.

#### II. INTRODUCTION

The majority report recognizes what Republicans in Congress have been saying for a number of years—that there is a manpower revolution underway in this country that is profoundly altering the structure and composition of the labor force. This conclusion has vast implications for economic policy and assumes particular importance in the face of the Democratic administration's stubborn refusal to acknowledge and face up to the extent and meaning of this revolution.

In the past, Republican members of the Special Senate Committee on Unemployment Problems and of the Joint Economic Committee have warned that the rapid rate of technological change, shifts in consumer demand from goods to services, as well as other factors were creating important changes in the geographic and occupational demand for labor. Most importantly, these structural changes have led to a shortage of highly trained and skilled manpower and, at the same time, have eliminated jobs at the lower end of the skill and educational ladder. At the root of the Nation's persistent high level of unemployment is the fact that many of the jobless lack of skills that are in demand or do not live where the new jobs are opening up.

The administration believes differently. In its last three annual Economic Reports, it has denied vigorously that frictional and structural unemployment has contributed more to overall unemployment in recent years than in earlier periods. Even as late as last October 28, Walter W. Heller, Chairman of the Council of Economic Advisers, told the subcommittee that "the available evidence does not show that the proportion of our total unemployment problem that we label 'structural' has increased significantly, nor that its character has materially changed." In spite of mounting evidence and professional opinion to the contrary, the Council of Economic Advisers asserts that the "central prerequisite" or the "primary line of attack" on unemployment must be measures to increase overall demand in the economy. It has given only incidental attention to measures to attack structural unemployment.

We agree with the majority that the Nation has paid dearly for this failure to recognize and cope with the manpower revolution. To the extent the majority report prods the administration into recognizing the primacy of the problem and the critical needs to take effective steps to meet it, it will contribute greatly to solving the new problems arising in our rapidly changing and dynamic economy.

A clear implication of the manpower revolution is that the incidence of frictional and structural unemployment will be higher—and probably considerably higher—than in earlier postwar years unless bold action is taken to reduce it. The need is for a more active labor market policy which will help to more efficiently match the unemployed with the millions of actual and potential jobs that are going begging in our country. Of overriding importance are measures to fa-

cilitate adjustment to the manpower revolution through training and retraining and improving labor mobility. Also required are more effective policies to alleviate the harsh burdens of adjustment suffered by countless numbers of our citizens who are innocent victims of change but who, with imaginative and well-conceived assistance, can become its beneficiaries.

Many of the recommendations in the majority report would help to achieve these objectives. We are particularly gratified that a large number of the subcommittee's recommendations dealing with frictional and structural unemployment have already been anticipated and recommended by the Republicans in the minority views in the Joint Economic Committee's annual reports in 1962, 1963, and 1964, as well as in the minority report of the Special Senate Committee on Unemployment Problems in 1960. Other recommendations of the subcommittee are new, and many of them are worthy of further consideration by the appropriate committees of Congress.

We wish to sound a note of caution, however, lest an active labor market policy become a means of coercion and control over the freedom of choice of America's working men and women and its employers. We reject out of hand any policy which would have this effect. It is for this reason that we view with concern the subcommittee's statement that a Federal manpower program must be able to channel available manpower resources into the public sector when the national interest so demands.

Our concern is heightened by the subcommittee's desire to move toward what might be called guided capitalism under the direction of Federal planners. There should be no mistaking the fact that the subcommittee's recommendation for an employment policy that would involve setting annual and long-term economic goals and giving the Executive the power to meet these goals is revolutionary in scope and meaning. We take the strongest possible exception to the subcommittee's recommendations which would impose upon the Federal Government the duty to establish standards of minimum economic performance. To carry out these recommendations Congress would undoubtedly have to delegate to the executive branch fiscal and monetary tools to keep the economy operating at prescribed levels.

The granting of such sweeping and unprecedented powers over the economy to the Federal Government would carry with it the assumption that the process of economic adjustment based upon market mechanisms has suffered a critical breakdown. There is no evidence to support such an assumption. On the contrary, the operation of the economy in recent years has lent support to those who believe that economic fluctuations may be leveling out as the economy adds to and improves upon its built-in economic stabilizers.

Implicit in the majority's proposals is the assumption that if the establishment of overall national economic goals is desirable, then the establishment of growth targets for specific sectors of the economy as well as for specific industries would be even more desirable. This is the road down which the majority would lead us. It is not too much to say that the majority's recommendations eventually would replace our system of decentralized decisionmaking by millions of individuals and businesses with a system of economic planning and control by the Central Government. This is the drift of affairs in other Western countries. The United States surely will be pushed in the same direction if the economic planners among us have their way.

Some of the pitfalls of even the relatively modest planning recommendations of the



subcommittee should be obvious. For example, the majority recommends that the Federal Government increase spending and develop controls in order to guarantee that unemployment will not rise above 3 percent. It advocates, in effect, a completely controlled labor market despite the price rises which may be incident to it and about which the majority says nothing. One cannot ignore the fact that under some conditions a 3-percent unemployment rate may be inconsistent with relative stability of the price level.

In spite of its underestimation of the extent of structural unemployment, the Council of Economic Advisers itself has recognized in its 1963 Economic Report that bottlenecks in skilled labor, middle-level manpower, and professional personnel tend to become "acute" as unemployment approaches 4 percent. Not only does this generate wage-price pressures, according to the Council, but it also retards economic growth upon which job creation depends.

The majority recommends that aggregate demand be pumped up vigorously through "aggressive" expenditure policy and by other means. But this recommendation flies in the face of the subcommittee's conclusions that severe shortages of skilled manpower already exist in our economy. It is also in conflict with the best judgments of Walter Heller, Chairman of the Council of Economic Advisers. Heller has this to say:

"Under present circumstances no massive substitution of public for private spending could generate the incentives for private creativity and initiative which are basic to a renewal of our economic vitality."

We believe the majority recommendations could lead to a serious inflation in this country that would offset the benefits of most of our policies to aid the unemployed and those of our citizens who live in poverty.

Little comfort can be found in the subcommittee's recommendation that the Federal Government dictate the level of unemployment without regard to price rises. This would be a slap in the face of every American under social security, with a pension, holding insurance policies, or already living on fixed incomes.

It is obvious that the erosion of purchasing power over a number of years under such a policy would be damaging in the extreme and should be resisted by all who share a concern for the security and well-being of our citizens.

The recent record of the Council of Economic Advisers in forecasting gives little confidence in what their record might be as economic planners. In 1962 the Council predicted that gross national product would reach \$570 billion and even more if the investment tax credit were enacted. The tax credit was enacted, but GNP for the year reached only \$555 billion. In 1963, however, the vigor of the private economy pushed GNP to \$585—without a tax cut. The Council said that with a tax cut GNP would range from \$573 to \$582 billion.

The subcommittee overlooks the fact that Government tax, expenditure, and monetary policies are already being used to a large extent to influence the level of economic activity and employment. The enactment of the 7-percent investment tax credit in 1962 as well as the major tax cut enacted this year are outstanding examples. The subcommittee's attachment to an "aggressive" expenditure policy should have been satisfied by the record of recent years during which expenditures rose from \$76.5 billion in fiscal 1960 to \$98.4 billion in fiscal 1964, or about a 30-percent increase.

We believe that the recently enacted tax bill, which should lift aggregate demand substantially, should be given a chance to operate. Meanwhile, more than lipservice will have to be paid to efforts to develop a more active labor market policy. Further-

more, much greater reliance must be placed on the private sector than is evidenced in the majority report.

We are delighted that the members of the subcommittee have become acquainted with the manpower revolution which for so long the administration, particularly its Council of Economic Advisers, has chosen to ignore.

We are happy also to concur in the factual conclusions reached by the subcommittee which are in line with what the Republican members of the Joint Economic Committee have been saying for years.

However, we cannot accept the notion that the old solutions of the 1930's are answers to the new problems of the 1960's and we respectfully caution the majority to remember that: "Loyalty to petrified opinion never yet broke a chain nor freed a human soul."

Let it not be said of this generation as the poet said of his compatriots a half century ago:

We lack the courage to be where we are—  
We love too much to travel on old roads  
To triumph on old fields.

We support some of the recommendations of the subcommittee and believe that others merit further study but because we differ in many ways from the majority in our approach to employment and manpower problems we present our own program. We believe that this program would go a long way toward providing those selective attacks on poverty and unemployment and the other effects of the manpower evolution which urgently require the Nation's attention. Our recommendations, as well as the facts and arguments which support them, will be found on the following pages.

### III. ADJUSTMENT TO TECHNOLOGICAL CHANGE:

#### A KEY TO MORE JOBS

##### A. The essence of the problem

The scientific and technological revolution is shaking our social and cultural foundations to the roots. It is altering the course and terms of life of every man, woman, and child upon the face of the earth.

Yesterday a man went to work with his lunch pail and a few tools and came home at night feeling that he had made something or done something useful for society. His job was generally a lifelong thing which gave him the economic base to support himself and his family. His self-respect and his family's welfare which once were firmly anchored are now being caught in an enormous vortex of social change. Today a machine not only can do what he did, but in addition can do what a whole group of his fellow workers did.

All too often it is thought that automation replaces only laborers and the semi-skilled. This is, of course, a myth. The tentacles of the new technology are reaching into the white-collar level and into many an area where a man thought he had a trade.

Each week new machines and new production methods take away jobs from 35,000 people.

Each year 1,800,000 workers are replaced by machines.

Should we attempt to arrest this "machine age" aspect of the technological revolution assuming that we could? Of course not.

Advanced technology can help to produce the goods and services in a quantity and at a price which will permit all families to have a decent standard of living.

Anyone with the slightest humane impulse should be willing to concede that what can be done by machine should not be taken out of a man's back.

But what shall we do with the men and boys who have been told they are not wanted because they are considered unfit for the technical specialties which are more and more becoming a simple necessity.

Over half a million young persons today

are both out of school and out of work. This is at once a tremendous economic waste and a great human tragedy.

The national unemployment rate is 5.4 percent but the rate of the 16- to 21-year age group is about 14.7 percent. While only one of every nine persons in the labor force is in the 16- to 21-year age group, nevertheless that group makes up almost one out of every four of the unemployed.

Unless we develop vitally needed programs to assist our young people in finding their places in life, the number of unemployed youngsters will be one-third greater in 1970 than it was in 1963.

When we indicate the situation may get much worse instead of better, we think about the pressure that will be created by the 26 million new entrants who will be coming into the work force during the 1960's.

During the next 4 years the economy must produce about 12 or 13 million jobs if we are to just stay even. Should we fail to accomplish this goal, total unemployment could rise to more than 7 percent of the 1967 labor force.

In the past the untrained worker could get an unskilled or semiskilled job and many boys could work on the family farm.

In the old days as the work force increased so did the need for unskilled labor. Today the situation is different. When we are having a flood of entrants into the labor force the number of unskilled and semiskilled jobs is declining at a rapid rate.

Right now when we have an unemployment rate exceeding 5 percent many good jobs go begging because we do not have skilled people to fill them.

Why is this ironic situation taking place? Principally it is due to technological changes which have altered the character of work.

Studies show that the problem is gravest of all for school dropouts. Their unemployment rate runs 50 percent higher than that for high school graduates.

Unless we reverse present trends there will be 7½ million dropouts during the 1960's.

These youngsters who lack training and education could indeed be a lost generation.

It has been observed that "he who has not the spirit of his age has all the misery of it." If we do not aid our young people in catching the spirit of this age, surely there will be misery enough for all of us.

We believe there has been a basic failure of public education to adjust to the social and economic changes that have been taking place during the past two decades.

We are teaching skills that are now obsolete and are failing to teach new ones that are required to meet changing industrial patterns.

One national survey came up with this tragic note: "Vocational training exists in a fairland that has not much relation to the real world of work."

Because of this sad situation Dr. Williams B. Logan, a member of the President's Panel of Consultants on Vocational Education, was able to state that "there are 4 to 6 million unemployed; at the same time there are 4 to 6 million job openings. The difference is skills."

Many years ago it was observed that "human history becomes more and more a race between education and catastrophe." The urgency of this message has somehow escaped us and one wonders whether we still have time to catch the pulse of this historic epoch before we pay the full price for our past failures.

We believe that Americans can buckle down as they have before to learn the know-how needed for their age.

##### B. Education and training

In the first session Congress passed a Higher Education Facilities Act, a Vocational Education Act, expanded features of the Na-



tional Defense Education Act, and broadened the powers of the manpower development and training program. Each of these developments will have a broad and significant impact on employment and unemployment.

Technical institutes and community colleges will be able to expand vital training facilities and render valuable assistance to those otherwise lacking technical qualifications for employment in a modern economy.

The unemployed and underemployed in the high school age bracket, including those with academic and socioeconomic handicaps, will be able to learn needed trades and professions. The gap between the need for skilled employees and the unskilled, unemployed labor pool will be considerably narrowed.

The sons and daughters of America's needy will be assisted in finding financial backing for higher education through the expansion of the National Defense Education Act. Those seeking training in national defense related fields may apply for loans keyed to the cost of their education and repayable on conclusion of their schooling at advantageous rates. Additionally, guidance and counseling services have been expanded to include the seventh and eighth grades. Students coming up from those grades on into high school and college will have access to personal guidance programs to assist them in finding their occupational orientation.

These farsighted programs, if given a chance to work, would do much to relieve the oppressive conditions of poverty and unemployment. The emphasis is on the plight of our young people—the dropouts—boys and girls who have to support indigent or disabled parents—youngsters who otherwise would perpetuate the vicious circle of poverty because of their inability to acquire needed job skills.

#### Education and Job Skills

With these people in mind we propose that this Congress have the opportunity to take another look at programs designed to give students in institutions of higher education Federal tax allowances.

Either of two plans could be adopted.

The first is known as the Ribicoff tax credit plan, which we cosponsored when it came before the Senate as an amendment to the Revenue Act of 1964. This plan would provide a credit against taxes for the costs of education attributable to tuition, books, and fees. The greatest allowance would go for the first \$200 of expense, with a total of \$1,500 of college expenses being eligible for preferred tax treatment. This plan would be keyed to the education of deserving young men and women in the lower-income brackets and the benefits would be available to anyone paying the cost of the schooling.

The second possibility would be the so-called Prouty plan which was offered to the Revenue Act of 1964. Under this proposal working students would be allowed deductions for educational expenses up to \$1,200 for undergraduates and \$1,500 for graduate students. By 1985 potential college enrollment will double. The costs of education will skyrocket. If something is not done to insure that every American boy and girl will have a chance to go to college, our American dream will become a horrible nightmare.

A college education becomes more important with the passing of every day. Our economy desperately needs skilled technicians and engineers. Industrial methods become more complex, administrative requirements more demanding. A high school education is no longer insurance for employment. We must act and act quickly. We must aid those who want to advance themselves by removing all unnecessary barriers to their progress.

#### Human Investment Credit

With an eye on youth we passed amendments to the Manpower Development and

Training Act, which would extend many of its benefits to our young people. At the same time we did not neglect the older workers. We propose that we follow the course set by this program and the philosophy of the tax bill and give private enterprise every opportunity to help us solve this problem.

Accordingly, we recommend that employers be given a tax credit equivalent to the magnitude of the credit extended for investment in personal property under the Revenue Act of 1962 for investments in our human resources.

We propose, also, that an employer be allowed a credit against tax of 7 percent for sums expended by him in training or retraining any of his employees about to be displaced by automation or mechanization. Second, we propose to allow an employer a 6-percent credit against tax for sums expended for the training of new employees for job skills needed within the industry. These credits shall be allowable only if immediately subsequent to the conclusion of the training period the trainee becomes gainfully employed by the training employer.

Secretary Wirtz has estimated that average retraining cost amounts to about \$1,000 per trainee under the manpower development and training program. This would result in a tax credit of from \$60 to \$70 per employee, or a revenue loss only \$120 to \$140 million for training or retraining 2 million workers. According to a paper prepared by the Legislative Reference Service this revenue loss would be cut by about 40 percent if that portion of the training expenses allowed for a tax credit, 7 percent, were not also allowed for deduction purposes.

The merits of the proposal are self-evident. A man would be employed for a job that needed filled. What training he lacked could be provided by the employer with a view toward his particular needs. There would be no redtape, no administrator, no office buildings, no staff, no counsel; in fact, no bureaucracy needed to run this program. The employer would benefit by having a vital vacancy filled with some tax relief for bearing his share of this great national burden.

#### Making the Manpower Development and Training Act a More Effective Tool in the Fight Against Unemployment

We believe that the Manpower Development and Training Act can play a more important role in facilitating adjustment to the technological revolution.

Today, all too often, the unemployed worker or the youth who enters the labor force finds that he cannot take full advantage of this statute until training classes are set up which have some applicability to his particular problem and his special aptitude.

Either the Manpower Development and Training Act is faulty in language or else it is defective in administration. An unemployed worker may have a potential or aptitude unlike other jobless people in this area. His future should not depend on the ability of Federal and State officials to find other individuals who need or want the same type of training.

If, for example, a young man wants to be an auto mechanic or a stenotypist and there are schools in his area operated by private or nonprofit groups, the youth should be able to attend these institutions under the auspices of the Manpower Development and Training Act and not be required to wait and wait until that one happy day when others are found who want the same preparation.

Furthermore, there may be a need for only one or two or three stenotypists in a given county. Public officials in this situation may feel that they would not be justified in setting up a special class. As a consequence, the two or three stenotypist jobs go begging while two or three people who have an inter-

est in this type of occupation remain on the unemployment rolls.

If we concentrate our thinking only on mass or group unemployment, do we not then overlook the needs and talents of the individual?

We feel that this is the case and we, therefore, recommend that Congress and the administration work together on this problem so that under the Manpower Development and Training Act a single unemployed worker may be assisted while attending a private vocational education school or technical institute.

As indicated previously, Congress has already given some consideration to the question of allowing individuals tax relief to offset the costs of obtaining a higher education. We favor this approach, but we feel that its scope could and should be broadened to benefit those individuals who take education or training in vocational subjects at the post-high-school level.

Such an innovation would encourage many breadwinners to upgrade their skills and thereby have a better chance of keeping their jobs or of being promoted to more challenging responsibilities. It would also result in the creation of job openings both at the bottom and in the middle of our economic ladder.

In the field of unemployment compensation, as in other areas, it is well for us to reexamine our thinking from time to time. Yesterday's concepts do not always fit today's needs, and in this connection we would urge the States to consider the desirability of permitting individuals who are willing to take training or retraining to receive unemployment benefits up to normal amounts.

In the past it has been the tradition, and quite properly so, for the States to insist that the individual be actively seeking work and be ready and available for work at all times before he can prove his entitlement to unemployment compensation.

In many cases the States may deem it advisable to accept as a substitute for the "actively seeking work" requirement, proof that the individual is actively preparing for work.

#### Vocational Rehabilitation: A Program To Bring the Handicapped Into Successful Employment

During the last fiscal year, more than 110,000 disabled Americans were rehabilitated by the State-Federal system of vocational rehabilitation.

Nearly 5,000 of those aided by public programs have achieved success in short-supply professional occupations such as teaching, engineering, medicine, and related health activities. Another 5,000 were enabled to enter semiprofessional and managerial positions.

About 19,000 of the people who were rehabilitated had been on the public assistance rolls or were living in institutions at public expense. These persons, who are now wholly or partially self-supporting, were rehabilitated at an expense of \$19 million, a sum approximately equal to what they were receiving in public assistance.

These figures spotlight the fact that vocational rehabilitation is extremely sound from both a humanitarian and an economic standpoint. We commend all those who play a part in the administration and operation of our State-Federal program and we urge that this program be expanded so that more individuals can be restored to productive lives.

#### The Dropout Problem: Help Through Guidance and Counseling at the Elementary Level

In view of the importance of solving the school dropout problem, much national attention has been recently focused on developing programs and techniques to keep youngsters in high school. Many com-



munities have been encouraged to improve vocational training as an incentive for keeping students in school. Guidance and counseling for secondary students have been provided for under the National Defense Education Act. And, recent programs included in the Vocational Education Act of 1963 have been aimed at preventing school dropouts by experimenting with specially adapted and designed programs that will meet the special needs of many of these youngsters.

We support these efforts to help high-school-age youth stay in school. They are important. But, we believe that they all overlook a crucial point. In their emphasis on aiding potential dropouts at the secondary level, they attempt to remedy the problem after it has already become acute. There seems little recognition that it would probably be much more effective to help these youth at the elementary level—before they become school dropouts. Much research has been conducted to show that most dropouts can be predicted at a fairly early age: they are the children who have to repeat one or more grades, who do poorly in school academically, who fail in mastering reading, who do not partake in extracurricular activities, and who are poorly motivated to continue their schooling because of low aspirations often caused by membership in deprived and/or low socioeconomic groups. It seems to us that in light of this knowledge, much more should be done at the elementary level to aid educational personnel to identify and catch the school dropout at this early stage—before he ever reaches high school. Indeed, we feel the potential dropout can be spotted as early as the fifth and sixth grades.

For these reasons we urge a concentrated new national campaign to help dropouts by developing effective and intensive systems of guidance and counseling in America's elementary schools. These programs might operate in the following ways: Skilled guidance consultants would work with teachers in the schools to administer programs of testing and observation to help identify potential dropouts and their problems. Once discovered, teachers might be instructed in ways of helping these children. In addition, special programs of remedial work, cultural enrichment, and psychological counseling could be instituted to get at the roots which cause a youngster to do poorly in school. At the same time teachers and counselors were working directly with children, they would also be working with parents of these children. Meetings and individual conferences with the family would be designed to give parents a more positive attitude toward the schooling and education of their child; greater support for education at home would do much to encourage these youngsters in school and instill in them the idea of the benefits of finishing high school. Possibly vocational counseling at the elementary level is too early, but it is not too soon to discover the special aptitudes these children may have and to acquaint them and their families with career areas which make good use of these aptitudes.

In today's society in which there are few demands for the worker without education or skills the "dropout" is indeed a "leftout." We would like to get at this problem before it starts. We supported the Vocational Education Act of 1963 with enthusiasm because in the counseling field it took a big step toward correcting the deficiencies which exist at the present time. The act encourages and assists our institutions in providing guidance and counseling for children in the seventh and eighth grades. This is a fine beginning, but more must be done.

Of the 26 million youths who will enter the labor force in the 1960's, 2½ million will not get past the eighth grade. These figures bring sharply to focus the need for proper counseling before youngsters have already decided that they are going to leave school.

We therefore recommend that existing statutes be amended to aid educational personnel to identify and counsel the potential school dropout at the fifth- and sixth-grade levels.

#### The Dropout Problem: Help Through Private Enterprise

We recognize that new and improved programs in guidance and counseling at the elementary level will be of no value to those youngsters who have already left school and have been shunted aside in the labor market.

However, the Carson, Pirie, Scott & Co. of Chicago has demonstrated beyond question that forward-looking employers can do much to help these young people find their place in our society. The Chicago firm developed work-study programs for youngsters who failed to complete their education. These youths who were unable to adapt themselves to a purely textbook environment saw the relevance of their studies when these were actually combined with work opportunities.

Boys and girls for whom life had little meaning have found new horizons and will play a constructive rather than a destructive role in their communities.

Through the endeavors of the Carson, Pirie, Scott & Co., one young girl emerged from a home atmosphere of alcoholism, prostitution, and physical beatings to become, through work-study programs, a top sales girl. The example which has been set by the Carson, Pirie, Scott firm calls to mind a quotation which might serve as an inspiration to all employers: "I am only one, but still I am one. I cannot do everything, but still I can do something \* \* \*."

#### C. Labor mobility: The key to better jobs and greater opportunity

It has been said that "home is where the heart is," but all too often home is not where the opportunity is.

It is never a simple matter to bid farewell to old, familiar things and old, familiar faces, or to head for new horizons that can be but dimly seen through a mist.

However, if the old hometown is for the worker the road to nowhere as far as advancement is concerned, or a road of no beginning for the unemployed, then the family man should move on to new territory. But, moving costs money and this is not always in great supply for one who must raise and educate his children and see that they are properly cared for. His situation brings to thought a story which the Irish writer, Frank O'Connor, once told about his youth. O'Connor said: "When as kids we came to an orchard wall that seemed too high to climb, we took off our caps and tossed them over the wall and then we had no choice but to follow them. I had tossed my cap over the wall of life and knew I must follow it, wherever it had fallen."

Let us help the worker who is immobilized by circumstance to toss his cap into a land of new opportunity. To do this we recommend the following:

1. That we consider giving a subsistence or transportation allowance to unemployment insurance claimants who actively seek work in areas far from home.

2. That the tax deductibility of the cost of moving to seek a new job be broadened to include items and expenses not now permitted.

3. That a national conference of business and insurance organizations be convened to consider the development of programs for the transferability of pensions for individual workers who change jobs.

4. That the Internal Revenue Code be amended to alter the definition of "home." This should be changed from the place of a workers chief employment to the place where he, in fact, has his home and keeps his family.

#### D. The U.S. Employment Service: Matching men with jobs

The U.S. Employment Service can and should be a valuable ally in the war against joblessness. It has done much good but we feel it can do more.

In this dynamic economy, this Service must learn to cope effectively with regional and national manpower problems instead of being oriented principally to serve small local labor market areas.

We join the minority members of the Joint Economic Committee in recommending the establishment of a national clearinghouse for the identification and classification of emerging skill requirements, of existing skill needs, and of obsolescent skills.

In the words of one observer the national clearinghouse should maintain up-to-date information on the current and planned extent of automation and its effect in displacing workers both directly and indirectly, as well as collective bargaining programs to meet technological change. It should keep abreast of trends tending to make some skills obsolete and to increase the importance of others. It should undertake studies of special problems such as those of displaced workers approaching retirement age, for whom retraining and placement in new jobs may present special difficulties.

The clearinghouse should also keep an up-to-date list of job vacancies for the use of the U.S. Employment Service, employers, private employment services, and others so that jobs and men can be brought together.

The monthly reports on the labor force are used by many public and private sources as one measure of the Nation's economy. Yet the concepts and techniques which are used to record unemployment have been called into question by responsible representatives of labor, management, and the public.

We urge that an impartial committee be appointed to develop better ways and means of obtaining more precise information on the extent and character of employment, unemployment, and underemployment.

#### IV. ALLEVIATING THE IMPACT OF JOBLESSNESS: THE ROAD BACK TO EMPLOYMENT

##### A. Installment debt assistance for unemployed workers

Unemployment is a many-terrored thing. All too frequently it paralyzes hope and converts dignity into despair.

When he is jobless, the worker and his family are hard hit by loss of income and lower living standards and in many cases they suffer additional privation because they cannot make payments on goods they have purchased on the installment plan. Important household items such as stoves and refrigerators are often repossessed, and when this happens the insecurities and frustrations of the jobless man multiply.

In such a situation, the family head understandably becomes quite discouraged. He knows that should he be able to get a job, his wages will be attached and he will take home little more money than he could receive as a public welfare recipient.

We believe that it is sound public policy to prevent the victimization of the unemployed man during this time of greatest need, and we believe that steps should be taken to give him and his family greater protection.

We, therefore, recommend as a proper subject for labor-management negotiations the establishment of unemployed workers' revolving funds which would give the jobless temporary assistance in paying installment debts.

We further suggest that all governments, Federal, State, and local, investigate this problem with a view to taking such supplementary action as may be necessary.

The establishment of installment debt funds with carefully drawn safeguards would



prevent the destruction of incentive and would protect the families of the unemployed.

*B. Establishment of a system of mortgage unemployment insurance for the purpose of preventing home foreclosures resulting from extended unemployment*

Some time ago a Member of Congress received a letter from a poverty stricken man that contained a sentence we shall never forget. The sentence was a quotation from an unknown Englishman, who said: "What is the use of living in an empire on which the sun never sets, if one must live out one's life in an alley into which the sun never shines."

This saying has a sad and special kind of ironic relevance today when we find in fairly good times that hundreds of families are losing their homes each week because they cannot meet mortgage payments.

Many families suffering this loss have a father who cannot obtain work on even a part-time basis.

Tragically, the heaviest burden of unemployment descends upon those least able to bear it. The persons most victimized by joblessness are those earning the smallest incomes when employed. They are also those having the largest families.

The combination of the two makes it unlikely that they will have much to put aside for a rainy day and when the rainy day comes they are in real trouble.

The minority on the Joint Economic Committee have pointed out that real estate foreclosures have jumped drastically in recent years and that the same has been true of mortgage loan delinquencies. The minority has this to say: "Delinquencies as a percentage of total mortgages are up about 50 percent on FHA-insured loans, and about 20 percent on VA-insured loans since 1959. Defaults on FHA mortgage loans, while still accounting for only a small percent of the total, have increased more than 100 percent since 1959. The increase in VA defaults has been about 30 percent. Between 1959 and 1962, FHA foreclosures jumped from 2 to 9 per 1,000 mortgages, while nonfarm foreclosures rose 96 percent."

To protect the many unemployed people who have been unable to accumulate an adequate reserve to tide them over a prolonged period of idleness, we make the following recommendation: We strongly suggest that there be established a system of mortgage unemployment insurance for the purpose of preventing foreclosures resulting from lengthy unemployment. Insurance of this kind could sharply reduce foreclosures.

*C. Allowing for Federal income tax purposes a deduction for loss in income due to unemployment*

Under today's Federal income tax structure, a family must bear an income tax even though its income is below a level that is required to provide an adequate standard of living. Some small recognition was given to this fact in the recently enacted Revenue Act of 1964, which provides a minimum standard deduction. This provision guarantees, for example, a family of four that they can earn at least \$3,000 income tax free, as compared to \$2,667 under previous law.

Even with such mitigating provisions, the income tax is usually excessively oppressive to a family that loses income, because the wage earner is temporarily unemployed. We would like to suggest a proposal that is designed to provide relief for the individual who is unfortunate enough to become unemployed.

Under our plan the individual would be allowed a deduction for any loss of income he may experience because of unemployment, provide he registers with the U.S. Employment Service and actively seeks work. If the taxpayer, in the year of unemployment, does not have enough taxable income

against which he can offset the full loss, he could carry over any unused part of the deduction to another income year.

We are well aware that a family of four, for example, with an average annual income of \$6,000 will have to spend virtually all of this income for their daily needs. If the income level is reduced, they must readjust by either depriving themselves of everyday necessities or going into debt. The wage earner of the family could reach a point where he might actually have to weigh seriously the alternative of paying a doctor \$5 to treat a sick member of the family as against placing reliance on patent medicines to cure the illness. A family can go just so far in depriving its members of the basic needs of food, clothing, and medical care and other services necessary for sustaining a healthy life both physically and mentally.

What we are proposing now will extend a helping hand to a family man to recoup some of the financial loss that he experiences during a period of unemployment. Although the precise technical operation of the plan should be worked out by the tax specialists of the appropriate congressional committees, we would expect it to operate generally as follows.

Let us assume that a wage earner for a family of four has a weekly income of \$125, or an annual salary of \$6,500 if he worked the entire year. However, if he becomes unemployed for part of the year, and as a result of which his income is reduced to \$4,000, he suffers a loss of \$2,500. Under present law he will still have \$1,000 taxable income after he takes his minimum standard deduction of \$600 and personal exemptions of \$2,400. However, under our proposal he would have a further loss deduction of \$2,500 which would offset the \$1,000 taxable income. This would provide a tax saving of \$160 which would have been otherwise payable in 1964.

You will note that this taxpayer would not have benefited from a full deduction of \$2,500 in 1964. Thus, our proposal would allow the taxpayer to carry over to another year the unused part of the deduction. Therefore, in this case, the taxpayer could carry over a deduction of \$1,500 which could offset income of another year.

The carryover principle is nothing new in tax law. A business that has a net operating loss, for example, can use this loss to offset profits for a period up to either years—3 years before, and 5 years after, the year of loss.

Until we have a tax relief provision such as we have proposed, individuals who experience unemployment will continue to find it difficult to get back on their feet financially. The provision would also offer the incentive to go back to work for some few individuals who now choose to draw tax-exempt Government assistance payments rather than work for wages that would be reduced substantially by income taxes.

As we indicated above, it is hard enough at today's high prices for a wage earner with an average income to keep his head above water financially and provide the necessities of life for himself and his family even when he is fully employed. But when this difficulty is compounded as a result of a loss in income due to unemployment, the individual gets so far behind financially that he does not catch up for years.

In a land of plenty for so many it is inconceivable that we should allow this condition to exist. The need of these unfortunate individuals who through no fault of their own are unemployed but actively seeking employment is unquestionable. Therefore, let us make this small, though beneficial, effort toward helping these individuals to help themselves by allowing them a deduction for loss of income due to unemployment.

In the alternative, we recommend that some thought be given by the congressional

committees responsible for income tax legislation to "income averaging" for individuals experiencing a rapid and sharp downturn in annual income. In this session of Congress we enacted into law a provision which clarified and extended the "income averaging" provisions of the Internal Revenue Code, sections 1301 to 1305, for individuals whose income undergoes a sudden upward surge. While the merits of this provision cannot be denied, isn't there even greater equity for a similar type of tax treatment for the person suddenly unemployed, suddenly without any income whatsoever. Of what possible good, for example, is the \$600 dependent exemption to a father with four children who finds himself, through no fault of his own, without any source of annual income where last year and in prior years he earned and paid taxes on an annual income of \$6,000. Certainly the scale of equity and justice weighs more heavily in his favor than those presently favored by the tax laws.

*D. Unemployment compensation for high-level unemployment*

We recommend a Federal program which could be called compensation for high level unemployment. Such a program would be designed to supplement the regular unemployment insurance program at any time in the future when unemployment nationally increases beyond the level for which the regular program would be responsible. This program would include the following features:

(a) Grants from the Federal Government to the States to help pay for supplementary benefits during times of national high level unemployment. Unemployment of great magnitude cannot be considered the sole responsibility of the individual States.

(b) We feel that the period during which extra benefits would be paid should be at least one-half as long as the duration to which the individual is entitled under State law or 13 weeks, whichever is longer.

(c) Our proposal, an extended unemployment benefits program for recession periods, would be activated when both of the following two conditions were met:

(i) When the total number of claimants who exhausted their regular benefit rights during 3 successive months equaled or exceeded 1 percent of employment covered by State unemployment insurance laws, and

(ii) When, during each of those 3 months, the average number of workers (seasonally adjusted) filing claims for a week of unemployment equaled or exceeded 5 percent of covered employment.

(d) Once activated, the program would continue until the number of workers exhausting regular benefit rights during 3 successive months was less than 1 percent of covered employment.

Since the proposed program is designed to deal with the problem of prolonged unemployment, a problem more characteristic of recession periods than of other times, there is considerable logic in the use of benefit exhaustions for determining the severity of the problem. While the rate of unemployment alone is usually a satisfactory basis for indicating the start and end of recession periods, for the purposes of this program, this would not always have been the best basis had such a program been in effect in the past. The rate of unemployment can rise temporarily at times other than recession periods, such as occurred during the steel strike in late 1959, without long-term unemployment becoming a widespread or serious problem. On the other hand, although less likely, the relative level of exhaustions can rise temporarily when the overall rate of unemployment remains moderate. The use of both exhaustions and the unemployment rate gives assurance that the program would not become activated unless a serious problem of long-term unemployment existed during a period of heavy unemployment.



Once a recession begins and exhaustions increase significantly exhaustions continue to be heavy for a period of time after the overall level of unemployment recedes. This is partly due to the fact that, because of seniority practices, frequently those first laid off are the last to be recalled to their jobs, if recalled at all. The unskilled, the old, and other workers considered by employers to be marginal are often affected in the same way. Thus, the problem of long-term unemployment persists longer than does the problem of high-level total unemployment. For this reason, the basis for terminating the program is confined to the exhaustion level alone.

The "trigger" point used for exhaustions is 1 percent of employment covered under State laws. With the latter currently running at a level of about 40 million workers, the "trigger" requires at least 400,000 exhaustions during a 3-month period, or a rate of over 1½ million a year.

The indicator described above has been tested against the experience of the last 15 years encompassing four postwar recessions. The program would have operated during each of these recessions covering periods of time considered satisfactory for the purpose intended.

The unemployment compensation program discussed in this section was incorporated in S. 5, introduced by Senator PROUTY in 1961. However, no action was taken on it by the democratically controlled Congress.

#### V. THE WAR ON POVERTY: THE LOST BATTALIONS

Mr. Leon Keyserling, who was Chairman of President Truman's Council of Economic Advisers, severely attacked the President's war on poverty declaring that the program omits an important segment of the population—the elderly.

We wholeheartedly concur.

Mr. Keyserling pointed out that 18 million of the population are over 65 and three-fourths of them live in poverty. "Unless it is related to all aspects of the economy," Keyserling warned, "the poverty program will be a frustration and a delusion."

As will be seen in the lines which follow, we wish the administration would take to heart the words of the poet Browning: "Grow old along with me, the best is yet to be."

#### A. Public welfare and social security

We think the fight against poverty cannot be successful unless we examine critically the effectiveness of existing programs which are designed to prevent dependency. For our older citizen this program is old-age and survivors insurance—better known as social security. It is designed to keep our older persons off welfare by providing them a decent income in their retirement years. There are some indications, however, that it is not doing the job as fully as it might and that some of its provisions are actually perpetuating poverty.

First, let us look at the broad picture of how the needs of low-income aged are being met. The theory of the Social Security Act when it was passed in 1935 and liberalized in 1939 and 1950 was that the number of aged persons on welfare would gradually decline. The old-age assistance program, in this view, would eventually be a very small residual program. But what has happened? The number of persons on the welfare program has risen from 2 million in 1940 to a high of 2.7 million in 1950. The far-reaching social security benefit liberalization of 1950 did have the effect of substantially reducing the old-age assistance rolls, which fell to 2.2 million by 1961, but for the last 3 years there has been a negligible decline.

What is even more disturbing is the increase in the number of social security beneficiaries who must apply for welfare. In 1950 about 300,000 persons were under both programs. Today the figure is over 800,000,

meaning that almost 4 out of every 10 welfare recipients (37 percent) are on social security. The question may legitimately be asked as to whether social security has any real meaning to these people. Since they must also apply for old-age assistance, does their social security give them the feeling of independence it gives to other retired workers?

What is the cause of this growing dilution in the meaningfulness of the social security benefit? Certainly the major factor is the size of the benefit itself—a worker's benefit which can be as low as \$40 a month and which averages just a little over \$75 a month. These certainly are benefits at poverty levels and it is no wonder that more and more people on social security must look to welfare to maintain themselves.

Moreover, there are devices built into the social security system which actually hinder a worker who has the initiative to try to bring himself up to a level of decency. The principal offender is the social security "retirement test" or income limitation. Let's see how this affects our average retired worker and his spouse. He and his wife receive benefits totaling about \$103 a month, or \$1,236 a year. He can earn \$1,200 a year without losing any benefits but this only brings the family income up to \$2,436, considerably below the annual family income level of \$3,000 which administration spokesmen say indicates the "poverty" line. If our aged worker decides to earn another \$600 he will soon find that earning this additional amount has cost him \$350 in benefits and his take-home income has only advanced to \$2,686. But the "treadmill" is only warming up, for when his earnings passed \$1,700 a year the social security law requires that for every dollar of earnings a dollar of benefits will be lost. The more he works the more benefits he loses, on a dollar-for-dollar basis, until his benefits are exhausted. Needless to say thoughtful workers, at this point, will wonder whether they are working for themselves or for the social security trust fund. They will point out with justification that the Government actually does not want them to have a take-home income in excess of an amount below the poverty level.

To our way of thinking this is a perfect example of the right hand not knowing what the left hand is doing. The administration declares "total war" on poverty but does not suggest amendment of existing programs which are perpetuating the disease. While urging cures by the enactment of new programs, it fails to see the weaknesses in old programs which are playing a major role in the spread of the disease. A social security benefit standard which provides minimum levels of decent living will keep people off the welfare rolls. Moreover, a liberalized income limitation will do away with the ridiculous situation in which we are preventing older persons from pulling themselves up to a dignified and meaningful existence. The exercise of this ability to help themselves is necessary for both their material and spiritual well-being. To do nothing is to encourage indolence and acceptance of an economic fate which persons in this country in the past have not been willing to accept.

#### B. Recommendation that social security benefits be made available to all persons 70 years of age or older who have no pension from any public source

Social security benefits have been in effect for almost 30 years. These benefits have given working women and working men and their wives an opportunity to provide an annuity for themselves during their retirement years. The annuity is, of course, a supplement to whatever savings and investments they have been able to make during their years of active employment.

Unfortunately, however, the original social security law did not cover many people who

should have been covered, and although its scope has been expanded over the years, a significant number of persons do not fall under the umbrella of its protection.

We speak now of those individuals who worked throughout their lives and who are now too old to return to work to earn coverage under the provisions of an expanded law—those persons who are 70 years of age or older.

These older folks are not to blame because the opportunity for an annuity has been denied to them. On the contrary, we are fairly certain that many, perhaps most, of them would have participated in the old-age and survivors insurance program had they been permitted to do so. But, not only were they excluded from mandatory coverage, they were not even permitted voluntarily to come within the effect of the law.

Senator PROUTY has introduced a bill, S. 2593, which would provide social security benefits to all persons 70 years of age or over who receive no annuity from any other public source. The fact that a man or woman has some income from savings would not bar him or her from receiving benefits under this bill.

The Prouty proposal calls for a transfer from general Treasury funds to the social security fund of an amount equal to the employer-employee contributions which would otherwise have been contributed during the working career of persons 70 years of age or older for the period January 1951 to December 1962 or earlier if the intended recipient reached age 69 prior to that date.

Loud noises are being made about wars on poverty, Domestic Peace Corps, and the like. We think it then appropriate to suggest that this bill will very dramatically attack "pockets of poverty" which have resulted not from neglect on the part of our older people, but rather from the simple fact that the law ignored them when it and amendments to it were adopted.

There are in this country some 10,773,000 persons 70 years of age or older.

In one State, for example, about 10 percent of the persons in this age category who are on public assistance do not receive any social security benefits. It is these people that we would like to include within the social security system.

This bill does not establish an immense program which will continue to grow. Indeed, the number of persons whom it will benefit will constantly diminish. This is true because of the constant increase in the number of persons covered by the various retirement systems. As more people reach 70 years of age, they will already be entitled to receive pensions because they have participated during their working years.

The Prouty bill will close a gap in the law which permits an economic injustice. We strongly recommend that the provisions of this measure be enacted as soon as possible.

#### C. Widow's social security benefit election

One of the groups in our society most susceptible to poverty and most deserving of help are elderly widows. The median annual income of women 65 and over is a mere \$900. Although many of these women receive social security benefits, they often find that work is a financial necessity.

As now set up, the social security system works a serious injustice on many of these women. When they draw a widow's insurance benefits and work at the same time, they are required to contribute to the social security fund if they are in covered employment. Contributions are required even though it is highly unlikely that they will ever draw benefits as a result of these contributions. In addition, if they have worked and contributed to the system prior to the husband's death and then elect to take their late husband's benefits rather than their own, they forfeit the contributions which they have



made through the years from their own wages.

We believe that equity demands that the law be amended in two respects. It should provide that any woman who draws widow's benefits under the social security system and works at the same time may elect to be exempted from coverage so that she need not make contributions for which she would be likely never to receive benefits. In addition, she should receive a refund of any contributions she may have made to the system prior to drawing benefits.

#### *D. Surplus foods for the needy*

How effective has the administration been in helping to resolve one of the most challenging problems of our time—the problem of sharing our huge agricultural surpluses with people who are hungry? The nature of this dilemma is suggested by the fact that we are spending around \$450 million a year to store surpluses at a time when, according to the National Policy Committee on Pockets of Poverty, 20 million Americans—1 out of 10—exist in a state which is described as "abject poverty" in that they must do without bare necessities, while another 26 million live at "minimum adequacy" levels.

The record shows that the administration's response to this challenge has been both superficial and schizophrenic—with overtones suggesting that "political pork" may, from time to time, have been the major item for distribution. With much fanfare it was announced, early in 1961, that in addition to a broad expansion of the existing direct distribution of surplus food packages a new program of "food stamps" would be inaugurated with the somewhat general purpose of increasing food purchasing power through commercial channels by enabling low-income families to purchase paper money, redeemable at local banks, to buy food exclusively. The announcement, in the words of the Secretary of Agriculture, was to expand "the demand for commodities that are in surplus that contributes to trying to strengthen the economic position of the American farmer."

Now what does the record show? With respect to the existing direct distribution of food packages—a program for which the States and localities bear the entire administrative costs—a few food items have been added, including peanut butter and, from time to time, canned chopped meat. But, in general the program has been limited to about 10 items including butter, nonfat dried milk, dry beans, milled rice, cornmeal, flour, lard, rolled wheat, and cheese. In his testimony before the Committee on Agriculture of the House of Representatives, Secretary Freeman himself described the inadequacy of this program since "a limited number of commodities \* \* \* can be made available \* \* \*" and because "the direct distribution program is difficult to administer unless you are prepared to expend very extensive costs for careful certification, careful checking of what is distributed, follow up as to how it is used." It is the purpose of the administration to continue this program but no suggestion has been made that the Federal Government share the costs of administration (as it does in most other welfare programs), and States and localities must continue to bear the full cost of distributing—and often of packaging—the surplus foods once they have been dumped at a central point.

As to the "food stamp" program, hailed as a bold new step forward, the actual expenditures show that it was, indeed, a limping step. For of the \$50 million allocated from funds provided through section 32 of the Agriculture Act of 1935 only \$13,534,000 was spent in 1962 and just \$18,640,000 in 1963. Although over 200 communities, including the District of Columbia, have asked to participate, the program has been limited to 45 areas (41 counties and 4 cities in 22 States).

The vague and conflicting criteria which have been applied in selecting certain areas and excluding many others, raise certain questions. During the course of the House hearings last June the following colloquy took place:

"Mr. HOEVEN. How do you explain that the first 26 pilot plans were all placed in the districts of Democratic Members of Congress? I believe that the gentleman from Pennsylvania, Mr. SAYLOR, a Republican, had one of the most critical areas in the United States. He made representations to you to have his district included and that was not done until quite recently."

The Secretary's explanation of his criteria left much to be desired. He defended his choices as resting on such rather vague criteria as being "study areas," or providing a "combination of circumstances" or "various facts" of experience. He added that "need" was "not an overwhelming criteria."

The question as to whether or not an area's political bent may also be a criteria went unanswered. The 32 jurisdictions in which no projects whatsoever were found which could meet these slippery criteria are Alaska, Arizona, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Guam, Hawaii, Idaho, Iowa, Maine, Maryland, Massachusetts, Mississippi, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, the Virgin Islands, and Wyoming.

It is true that the Secretary found some problems developing even in so small a program. Participants found it difficult to meet the requirement that the additional "paper money" be purchased once a month in a lump sum. For example, a family of five with a monthly income of \$105 must put up \$46 in a lump sum to receive "bonus stamps" amounting to \$42 with the specification that at least 65 or 70 percent of the combined amount (\$88) must be spent according to a food standard allowed by the Department. This means that a family must have enough cash to be able to put up a rather substantial amount to get the bonus to meet its food needs alone. This is not the case with respect to the direct distribution program.

Moreover, some problems have arisen at busy food-checking stands because of Federal restrictions as to the kinds of foods which are eligible. By June 1963, 104 of 8,000 approved retailers have been investigated and 35 suspended. The most frequent violation in these cases involved the sale of ineligible foods, soap, and paper supplies. Although Secretary Freeman found that, even in these 35 stores, most of the coupons were being used to buy eligible foods, because of minor infractions of Federal regulation they were suspended anyway.

Despite the privation in many poverty stricken areas the administration failed to use more than a fraction of the money allocated for the food stamp program. Now in a political election year it is sending forth trumpet blasts about its concern for the poor—blasts that have a somewhat hypocritical echo in the face of its prior inadequacies.

This famine-to-feast, all-or-nothing approach can certainly be questioned as a matter of policy, experience, and humanitarianism.

We would caution the administration to remember the parable in which Christ indicted men for their indifference. "I was hungry," He said, "and ye did not give me to eat; thirsty, and ye gave me no drink; a stranger and ye took me not in; naked and ye clothed me not."

The minority does not question the need for the expansion of our surplus foods programs, but in fact recommends that these programs be made effective for the first time

and that human need and not political greed be the criterion for distribution.

#### *E. School lunch and school milk programs*

Two nationwide activities of great potential significance to help eliminate poverty are the successful and effective special milk program to increase the consumption of milk and the national school lunch program enabling 16 million children in nearly 70,000 schools to eat wholesome and nutritious meals each school day. The lunch program not only protects the health of our schoolchildren and expands the markets for America's food production, it provides what is all too often the only adequate meal of the day for many hungry children throughout the country.

The unfortunate millions living in pockets of poverty could be assisted by an expanded lunch program, which would assure that no child would ever be forced to go to school, already hungry, and sit through an entire day without a meal. Well-balanced and healthful meals are unknown among the impoverished. The moving story of a Georgia family with eight children is described in a recent Newsweek article on poverty:

"Last week, the oven of the broken-down stove contained a hunk of white fatback, the size of a man's hand, and some grits. Claudie Mae was making the family staple—hoecake. 'Ain't got no milk,' she said with a bewildered little giggle. 'You spose to use milk. I uses water.'"

Education is a crucial factor in overcoming poverty and deprivation, yet these children of the poor perpetuate poverty because their productive abilities are starved and energies drained by malnutrition. A poorly nourished child is ill equipped to meet the demands our schools must make upon youth in this increasingly complex technological and scientific age. Provision of nutritious foods can stimulate interest in learning as well as assist in family efforts to maintain standards of health in the care of children.

Surely no better investment can be made than to increase funds so that wholesome lunches and milk will be available to all children of school age. Special assistance in providing these programs should be given to all economically deprived areas. Amendments to the national school lunch program in 1962 authorized the appropriation of up to \$10 million to provide special assistance to schools drawing attendance from areas in which poor economic conditions exist.

Since 1962 the budget has included either a small appropriation or none at all for this purpose when, instead, the appropriation could be greatly increased to meet the need of the economically depressed areas. Currently, the budget request calls for only \$2 million for special assistance to needy schools. The milk program could also be increased to extend the consumption of milk to every ill-fed and hungry child in our Nation.

A war on poverty should fully utilize existing programs to reach the underprivileged and forgotten millions of our land.

#### *F. Medical profession's loan program*

One of the major problems in American medicine today is the serious lag between our medical knowledge and our medical care. The best, and even adequate medical care, is out of reach of many of our citizens today. This situation is in part a result of what Secretary Celebrezze has termed "our increasingly critical need for additional health personnel." The doctor-to-population ratio has only risen from 135 to 137 doctors per 100,000 persons since 1940 while the demands upon physicians have increased markedly as a result of the larger proportion of the very old and the very young in our population and more widespread health insurance coverage.



Moreover, these figures do not show the full severity of our shortage. The trend in recent years has been toward increased urbanization and specialization of doctors. The percentage of general practitioners and part-time specialists has dropped from 76.1 percent in 1931 to only 30.6 percent in 1962. More and more doctors are going into fields other than family practice.

The Surgeon General, Dr. Luther Terry, testified last year that whereas in 1930 each family physician—including general practitioners, internists, and pediatricians—had a potential patient load of 1,300, today that potential load has reached 1,900.

The Public Health Service has stated that "experience in large medical groups indicates that comprehensive medical care, including both general and specialized services, requires on the average 1 physician for about 1,000 persons." The American Medical Association Council on Medical Service considers more than 1,200 persons per physician to be a major evidence of need. In 1960 one-third of the counties in the United States had more than 2,000 persons per physician.

The rural and the poor bear the brunt of the physician shortage. A Public Health Service survey showed that the 1959 rate of active non-Federal physicians to population was 158 per 100,000 for greater metropolitan areas compared to 47 percent for isolated rural areas. Another Public Health survey conducted between 1957 and 1959 showed that the number of physician visits per person per year was directly related to residence and family income. Urban residents averaged 5.3 visits and rural persons averaged 4.6. For farm people the average was as low as 3.8. When related to family income, the average ranges from 4.6 visits per person per year for those with incomes under \$2,000 to 5.7 for those earning over \$7,000.

The Health Professions Educational Assistance Act, signed into law last fall should do much to counteract the physician shortage in general, but how much will it do to help the rural and the poor, the very ones who are most in need of additional health care? This is not a problem that will take care of itself for as a Public Health Service publication, "Health Manpower Source Book," reported:

"It is generally recognized that physicians, for both economic and professional reasons, tend to concentrate in urban communities. Metropolitan areas are usually characterized by high per capita income, readily available hospital facilities, and opportunities for frequent contact with hospital staffs and medical teaching centers."

We must offer some special incentive to encourage doctors to practice in needy areas. We believe that one effective approach would be to add a loan forgiveness clause such as that proposed in S. 2220 to the Health Professions Educational Assistance Act. This provision, which was in the original bill, would provide up to 50-percent forgiveness on loans made under this act to doctors who practiced in areas designated by the State to have a shortage of physicians. Ten percent would be forgiven for each year of practice. This could mean forgiveness of as much as \$4,000 plus interest which would be strong encouragement to a young doctor to practice in a designated area. We owe it to the citizens of this country, both rich and poor, who are financing this program, to do as much as we can to alleviate the doctor shortage where it is most severe—in the rural and impoverished areas.

#### G. Better schools and teachers for poverty impacted areas

One agency upon which great effort must be focused in our attack against poverty is that of the school. Recent studies and discussions have made it clear that in poverty areas schools are one of the most important places for contacting and working with both

underprivileged children and youth and their families. Through the schools effective programs of specially planned and enriched programs of education and carefully designed community programs can operate to help youngsters in these areas to improve not only their skills and abilities but also to raise their hopes and aspirations.

If these schools in poverty areas are to succeed in their aims, however, it is apparent that they must be staffed with highly skilled and specially trained teachers. For the schools can be only as good as the people who teach in them. And the quality of education presented to the youth can only be as high as the teachers are equipped and able to give.

For these reasons, we believe that a major attempt must be made to recruit and train the ablest of our college youth to teach in these areas. This task may be difficult because of the particularly hard conditions under which students know teachers in poverty areas must work. By offering incentive in terms of higher pay and more liberal college loans to prospective teachers in these areas, we think students will be encouraged to enter teaching in this field.

We urge that as a concrete measure to stimulate students to become teachers in poverty areas, the forgiveness features of the National Defense Education Act's teacher loan provision be increased for those who promise to teach in these areas. Currently, for those preparing to be teachers up to 50 percent of the National Defense Education Act loan can be forgiven when the student actually teaches for a specified number of years. If this percentage could be upped to 75 percent for teachers in poverty areas, students might give work in this area higher priority. We suggest that this is one way to attract the able talent we need to teach and work in the schools of the poverty areas of our Nation.

All too often we find that in poverty areas where the highest quality of education is needed, there is found only the lowest. We recommend a general upgrading of the schools in these areas.

#### H. Overtaxation of the poor: An administration policy

On February 7 of this year the U.S. Senate gave its approval to H.R. 8363, the Revenue Act of 1963. This bill received ample support in this body, having been passed by a vote of 77 to 21.

While we voted in favor of this tax bill, we deeply regret the failure of the Senate to approve any of the numerous Republican amendments brought before it providing for repeal or reduction of certain excise taxes. Rejection of these amendments because of administration opposition has withheld tax relief where it is really needed—at the lower income levels.

At the present time the Federal Government levies excise taxes on a great many products. Some of the taxes are paid by the manufacturer and are passed on to the consumer, hidden in the purchase price of the article. Those imposed on automobiles and automotive essentials, such as carburetors, fuel pumps, or starters can hardly be called luxury taxes. The same could be said of taxes on refrigerators and probably radios and television sets.

Excise taxes are regressive—they are levied contrary to our generally accepted principle of taxation which is based upon ability to pay. They exert the heaviest burden on those with lower incomes who can least afford to pay them. While lower income tax rates provided in the tax bill will give some measure of relief to individuals in middle or higher income tax brackets, no relief is given to those individuals who do not receive enough income to pay any Federal income tax. According to a preliminary release just

issued by the Internal Revenue Service reporting data on 1962 incomes, as many as 12,602,938 out of the total number of income tax returns filed of 62,714,707 did not report sufficient income to be subject to any tax liability. Yet these individuals in the lowest income tax brackets must pay taxes on the inexpensive jewelry, cosmetics, handbags, and other items universally used in everyday living.

In a study which was published by the Joint Economic Committee some years ago, it was pointed out that the lower income groups pay a higher proportion of their income in excise taxes than do higher income groups since consumption expenditures as a percent of total income decline as incomes rise. This study gave the following breakdown by income class, showing the percentage of income received in 1954 which was paid in Federal excise taxes:<sup>1</sup>

| Percent of income going to pay Federal excise taxes |         |
|-----------------------------------------------------|---------|
| Income class:                                       | Percent |
| 0 to \$2,000.....                                   | 5.0     |
| \$2,000 to \$3,000.....                             | 4.5     |
| \$3,000 to \$4,000.....                             | 4.1     |
| \$4,000 to \$5,000.....                             | 3.9     |
| \$5,000 to \$7,500.....                             | 3.6     |
| \$7,500 to \$10,000.....                            | 3.3     |
| Over \$10,000.....                                  | 1.0     |

Thus it was brought out that those individuals with annual incomes of less than \$2,000 must pay about 5 percent of their income in Federal excise taxes, while those in higher-income brackets—in excess of \$10,000, pay only 1.9 percent of their incomes for these taxes. These data serve to illustrate how excise taxes exert the heaviest burden on the poor—in times of depression as well as in more prosperous periods and reduces the meager amount of funds available for the necessities of life. For this reason alone, these taxes should be abolished and greater reliance should be placed on taxes which are imposed in accordance with ability to pay. But there are others.

Diminished demand for taxed goods only restricts production and causes unemployment of men and resources. This has had a depressing effect upon the entire economy contributing to a decline in incomes, profits, and governmental revenues and producing chronic budgetary deficits.

Excise taxes aggravate the problems of the small retailer by placing upon him an additional burden of tax collecting. Often the imposition of the excise tax on particular merchandise and the exemption of other closely related merchandise is confusing to sales personnel and customers alike. Separate bookkeeping entries must be made and quarterly reports filed. Records are subject to periodic audit. Failure to comply subjects him to Federal penalties. Hence, some retailers prefer to handle only those commodities which do not require the additional task of tax collecting.

Repeal of Federal excise taxes is now long overdue and would give our economy the stimulus which it so sorely needs. Despite the fact that our economy is now generating a gross national product at the unprecedented annual rate of \$600 billion, industry is operating at about 87 percent of capacity and 4 million Americans, or 5½ percent of our total labor force, are seeking employment but are not able to find it. Many more individuals are underemployed—they are working fewer hours and are earning insuf-

<sup>1</sup> Musgrave, Richard A., "The Incidence of the Tax Structure and Its Effects on Consumption," published in a committee print, "Federal Tax Policy for Economic Growth and Stability," by the Joint Economic Committee, Washington, U.S. Government Printing Office, 1955, p. 98.



ficient incomes to support themselves and their families.

Our economy must grow sufficiently to provide jobs for those workers displaced by automation and for the nearly 1 million young people maturing and entering the labor market each year. One out of six of these young people are now unable to find work as they join the labor force.

More than 30 million individuals are living in families which are earning less than \$3,000 a year, and half of these subsist on less than \$2,000 per year. President Johnson has pledged that an all-out war would be waged against poverty. Repeal of Federal excise taxes would do much to enable him to achieve his goal of eliminating the distress felt by many of our people. It would release additional purchasing power in the hands of consumers and would create more job opportunities in industries expanding to meet the increased demand for goods and services. Thus a higher level of prosperity would be achieved for business firms and individuals to enjoy.

Action must be delayed no longer in granting relief to individuals and business firms by elimination of these onerous taxes which have depressed the economy too long and which have prevented it from operating at full capacity, utilizing fully our Nation's human and natural resources.

#### VI. SPECIAL GROUP PROBLEMS

It has been said that the road to new opportunity is no longer a geographic line on the map; it runs through the heart and conscience of America. But we are all aware that it has dead end streets, detours, and "do not enter" signs for thousands of citizens who hope to travel toward a better life.

Certainly for the Negroes this has not been the promised land but rather the land of unfulfilled promises.

One out of every ten workers is a Negro. Yet the incidence of Negro unemployment is much higher than that among white employees.

And, too, when the Negro gets a job the door to promotion is not always open.

Studies show that members of the Negro population who have high school diplomas frequently earn less than whites who have not completed the eighth grade.

In some cases, the hard luck of the Negro can be attributed to the poor quality of the education he has received, but in all too many cases he is denied advancement or opportunity solely because of the color barrier.

The struggle by the Negro for equal opportunity is etching its mark on the soul of America. There are those who tell the Negro that he must wait and that time will heal everything. But the Negro has waited a long time, and he finds that 9 years after the Supreme Court's desegregation decision, fewer than 8 percent of the Negro children in the South are attending integrated schools.

The Negro has waited patiently, and 100 years after the Emancipation Proclamation he sees that only 10 percent of his people are allowed to vote in county after county.

In many towns and cities the Negro cannot eat in a restaurant, go to an amusement park with his child, or even to church with his family. All too often he must look through the window at a world that is marked "for whites only."

Even if a strong civil rights program is approved by Congress, the colored man will be a long way from total equality. No bill can erase the prejudice in the hearts of men, and no court order can uproot overnight the customs and traditions that have existed for over 150 years. These customs and traditions are a force almost as powerful as law itself.

While there are fewer obstacles to the elimination of discrimination in the North, its presence is no less real. North, south, east,

and west there is de facto segregation and economic discrimination against the Negro. The time has come to practice everywhere what we preach to the South.

Man's inhumanity to man will not end in this century nor in the next in this country or elsewhere, but at least we can begin its undoing.

To avoid disappointment, the Negro should recall the words of the German-Jewish poet Heine, who warned his fellow Jews when the walls of the ghetto came down: "Remember, we must be twice as good to get half as much." Perhaps the odds for the colored man are even higher.

It is a sad bit of irony that as the Negroes approach for the first time the border of civil and political equality, they are falling behind in their endeavor to achieve economic equality.

The Council of Economic Advisers, on September 24, 1962, said the economic loss to the United States resulting from racial discrimination in employment is about \$13 billion a year.

So discrimination causes economic as well as human misfortune.

In addition to such statutes as have been or may be enacted at the Federal and State levels to protect minority groups against discrimination, we urge the following:

(1) That labor and management include in their collective bargaining agreements positive contractual obligations barring discrimination of any kind.

(2) That organized labor and management exert maximum efforts through education programs to show the need for equality of opportunity.

WINSTON L. PROUTY.

#### INDIVIDUAL VIEWS OF MR. JORDAN OF IDAHO

While I voted to report this legislation out of committee, I did so with the reservation that every member should have the opportunity to expand his views. I find myself, in regard to my views on this bill, in substantial agreement with the views expressed by Senators GOLDWATER and TOWER.

LEN B. JORDAN.

#### MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 10300) to authorize certain construction at military installations, and for other purposes, and it was signed by the Acting President pro tempore.

#### AMENDMENT OF RULE XXV, RELATING TO JURISDICTION OF COMMITTEE ON RULES AND ADMINISTRATION — LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader whether he has any suggestions as to the program for tomorrow.

Mr. MANSFIELD. Responding to the question of the distinguished minority leader, I move that the Senate proceed to the consideration of Calendar No. 1089, Senate Resolution 338, and that it be made the pending business.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution, which had been reported by Mr.

JORDAN from the Committee on Rules and Administration on July 1, 1964, as follows:

*Resolved*, That the Standing Rules of the Senate are amended by adding at the end of paragraph 1(p) of rule XXV (relating to the jurisdiction of the Committee on Rules and Administration) the following new subparagraph:

"(3) Such committee shall have jurisdiction to investigate every alleged violation of the rules of the Senate, and to make appropriate findings of fact and conclusions with respect thereto after according to any individual concerned due notice and opportunity for hearing. In any case in which the committee determines that any such violation has occurred, it shall be the duty of the committee to recommend to the Senate appropriate disciplinary action, including reprimand, censure, suspension from office or employment, or expulsion from office or employment."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, no action will be taken on the resolution tonight. There will be no further votes. If and when this resolution is disposed of, it is the intention of the leadership to follow it with Calendar No. 1067 (S. Res. 337), and following that, not necessarily in that order, Calendar No. 1127, S. 1063, the so-called Freight Car Supply Act.

Mr. DIRKSEN. I thank the majority leader.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. May I inquire of the Senator from Montana whether he contemplates a session on Saturday?

Mr. MANSFIELD. I would say there is a strong possibility.

Mr. MORSE. There is also a possibility of not having one?

Mr. MANSFIELD. There is that possibility, too.

#### NOTICE OF HEARING ON ASSA- TEAGUE ISLAND PROPOSAL

Mr. BIBLE. Mr. President, as chairman of the Public Lands Subcommittee of the Interior and Insular Affairs Committee, I recently announced that it was my hope and expectation to schedule hearings on the very important Assateague Island proposal some time in the early part of August, and that a more definitive date would be announced at an early time.

Through the cooperation of my distinguished colleague, the junior Senator from Maryland [Mr. Brewster], I can now announce that this matter will be taken up by the subcommittee on Tuesday, August 11, 1964.

Because of the tremendous interest that has been indicated by many people in this part of the country, it has been necessary to limit the taking of testimony to Members of Congress and witnesses from the Department of the Interior. It is my intention to then recess the hearings until next spring when ample time will be available to hear all



88TH CONGRESS  
2D SESSION

**S. 2642**

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IN THE SENATE OF THE UNITED STATES

JULY 23, 1964

Ordered to be printed as passed

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**AN ACT**

To mobilize the human and financial resources of the Nation to  
combat poverty in the United States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Economic Opportunity  
4       Act of 1964".

5               FINDINGS AND DECLARATION OF PURPOSE

6       SEC. 2. Although the economic well-being and pros-  
7       perity of the United States have progressed to a level sur-  
8       passing any achieved in world history, and although these  
9       benefits are widely shared throughout the Nation, poverty  
10      continues to be the lot of a substantial number of our people.  
11      The United States can achieve its full economic and social



1 potential as a nation only if every individual has the oppor-  
2 tunity to contribute to the full extent of his capabilities and  
3 to participate in the workings of our society. It is, therefore,  
4 the policy of the United States to eliminate the paradox of  
5 poverty in the midst of plenty in this Nation by opening to  
6 everyone the opportunity for education and training, the  
7 opportunity to work, and the opportunity to live in decency  
8 and dignity. It is the purpose of this Act to strengthen, sup-  
9 plement, and coordinate efforts in furtherance of that policy.

## 10 TITLE I—YOUTH PROGRAMS

### 11 PART A—JOB CORPS

#### 12 STATEMENT OF PURPOSE

13 SEC. 101. The purpose of this part is to prepare for the  
14 responsibilities of citizenship and to increase the employa-  
15 bility of young men and young women aged sixteen through  
16 twenty-one by providing them in rural and urban residential  
17 centers with education, vocational training, useful work ex-  
18 perience, including work directed toward the conservation of  
19 natural resources, and other appropriate activities.

#### 20 ESTABLISHMENT OF JOB CORPS

21 SEC. 102. In order to carry out the purposes of this  
22 part, there is hereby established within the Office of Eco-  
23 nomic Opportunity (hereinafter referred to as the "Office"),  
24 established by title VI, a Job Corps (hereinafter referred to  
25 as the "Corps").

## JOB CORPS PROGRAM

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be pro-



1 vided through local public educational agencies or by  
2 private vocational educational institutions or technical  
3 institutes where such institutions or institutes can pro-  
4 vide substantially equivalent training with reduced Fed-  
5 eral expenditures;

6 (c) provide or arrange for the provision of pro-  
7 grams of useful work experience and other appropriate  
8 activities for enrollees;

9 (d) establish standards of safety and health for  
10 enrollees, and furnish or arrange for the furnishing of  
11 health services; and

12 (e) prescribe such rules and regulations and make  
13 such arrangements as he deems necessary to provide  
14 for the selection of enrollees and to govern their conduct  
15 after enrollment, including appropriate regulations as  
16 to the circumstances under which enrollment may be  
17 terminated.

#### 18 COMPOSITION OF THE CORPS

19 SEC. 104. (a) The Corps shall be composed of young  
20 men and young women who are permanent residents of the  
21 United States, who have attained age sixteen but have not  
22 attained age twenty-two at the time of enrollment, and  
23 who meet the standards for enrollment prescribed by the  
24 Director. Participation in the Corps shall not relieve any  
25 enrollee of obligations under the Universal Military Training

1 and Service Act (50 U.S.C. App. 451 et seq.). Only in  
2 exceptional cases shall enrollees in the Corps be graduates  
3 of an accredited high school, and no person shall be ac-  
4 cepted for enrollment in the Corps unless the local school  
5 authorities have concluded that further school attendance  
6 by such person in any regular academic, vocational, or  
7 training program, is not practicable.

8 (b) In order to enroll as a member of the Corps, an  
9 individual must agree to comply with rules and regulations  
10 promulgated by the Director for the government of the  
11 Corps.

12 (c) The total enrollment of any individual in the Corps  
13 shall not exceed two years except as the Director may deter-  
14 mine in special cases.

#### 15 ALLOWANCE AND MAINTENANCE

16 SEC. 105. (a) Enrollees may be provided with such  
17 living, travel, and leave allowances, and such quarters, sub-  
18 sistence, transportation, equipment, clothing, recreational  
19 services, medical, dental, hospital, and other health services,  
20 and other expenses as the Director may deem necessary or  
21 appropriate for their needs. Transportation and travel al-  
22 lowances may also be provided, in such circumstances as the  
23 Director may determine, for applicants for enrollment to or  
24 from places of enrollment, and for former enrollees from  
25 places of termination to their homes.



1       (b) Upon termination of his or her enrollment in the  
2 Corps, each enrollee shall be entitled to receive a readjust-  
3 ment allowance at a rate not to exceed \$50 for each month  
4 of satisfactory participation therein as determined by the  
5 Director: *Provided, however,* That under such circumstances  
6 as the Director may determine a portion of the readjust-  
7 ment allowance of an enrollee not exceeding \$25 for each  
8 month of satisfactory service may be paid during the period  
9 of service of the enrollee directly to a member of his or her  
10 family (as defined in section 609 (c) ) and any sum so paid  
11 shall be supplemented by the payment of an equal amount  
12 by the Director. In the event of the enrollee's death during  
13 the period of his or her service, the amount of any unpaid  
14 readjustment allowance shall be paid in accordance with the  
15 provisions of section 1 of the Act of August 3, 1950 (5  
16 U.S.C. 61f) .

17           APPLICATION OF PROVISIONS OF FEDERAL LAW

18       SEC. 106. (a) Except as otherwise specifically provided  
19 in this part, an enrollee shall be deemed not to be a Federal  
20 employee and shall not be subject to the provisions of laws  
21 relating to Federal employment, including those relating to  
22 hours of work, rates of compensation, leave, unemployment  
23 compensation, and Federal employee benefits.

24       (b) Enrollees shall be deemed to be employees of the  
25 United States for the purposes of the Internal Revenue Code

1 of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social  
2 Security Act (42 U.S.C. 401 et seq.), and any service per-  
3 formed by an individual as an enrollee shall be deemed for  
4 such purposes to be performed in the employ of the United  
5 States.

6 (c) (1) Enrollees under this part shall, for the purposes  
7 of the administration of the Federal Employees' Compensa-  
8 tion Act (5 U.S.C. 751 et seq.), be deemed to be civil  
9 employees of the United States within the meaning of the  
10 term "employee" as defined in section 40 of such Act (5  
11 U.S.C. 790) and the provisions thereof shall apply except  
12 as hereinafter provided.

13 (2) For purposes of this subsection:

14 (A) The term "performance of duty" in the Federal  
15 Employees' Compensation Act shall not include any act of  
16 an enrollee—

17 (i) while on authorized leave or pass; or

18 (ii) while absent from his or her assigned post  
19 of duty, except while participating in an activity author-  
20 ized by or under the direction or supervision of the  
21 Corps.

22 (B) In computing compensation benefits for disability  
23 or death under the Federal Employees' Compensation Act,  
24 the monthly pay of an enrollee shall be deemed to be \$150,  
25 except that with respect to compensation for disability ac-



1   cruing after the individual concerned reaches the age of  
2   twenty-one, such monthly pay shall be deemed to be that  
3   received under the entrance salary for GS-2 under the  
4   Classification Act of 1949 (5 U.S.C. 1071 et seq.), and  
5   section 6 (d) (1) of the former Act (5 U.S.C. 756 (d) (1) )  
6   shall apply to enrollees.

7       (C) Compensation for disability shall not begin to ac-  
8   cruue until the day following the date on which the enrollment  
9   of the injured enrollee is terminated.

10       (d) An enrollee shall be deemed to be an employee of  
11   the Government for the purposes of the Federal tort claims  
12   provisions of title 28, United States Code.

13       (e) Personnel of the uniformed services who are de-  
14   tailed or assigned to duty in the performance of agreements  
15   made by the Director for the support of the Corps shall not  
16   be counted in computing strength under any law limiting  
17   the strength of such services or in computing the percentage  
18   authorized by law for any grade therein.

19       POLITICAL DISCRIMINATION AND POLITICAL ACTIVITY

20       SEC. 107. (a) No officer or employee of the executive  
21   branch of the Federal Government shall make any inquiry  
22   concerning the political affiliation or beliefs of any enrollee  
23   or applicant for enrollment in the Corps. All disclosures  
24   concerning such matters shall be ignored, except as to such

1 membership in political parties or organizations as con-  
2 stitutes by law a disqualification for Government employ-  
3 ment. No discrimination shall be exercised, threatened or  
4 promised by any person in the executive branch of the Fed-  
5 eral Government against or in favor of any enrollee in the  
6 Corps, or any applicant for enrollment in the Corps because  
7 of his political affiliation or beliefs, except as may be  
8 specifically authorized or required by law.

9 (b) No officer, employee or enrollee of the Corps shall  
10 take any active part in political management or in political  
11 campaigns, except as may be provided by or pursuant to  
12 statute, and no such officer, employee or enrollee shall use  
13 his official position or influence for the purpose of interfer-  
14 ing with an election or affecting the result thereof. All such  
15 persons shall retain the right to vote as they may choose and  
16 to express, in their private capacities, their opinions on all  
17 political subjects and candidates.

18 (c) Whenever the United States Civil Service Commis-  
19 sion finds that any person has violated the foregoing pro-  
20 visions, it shall, after giving due notice and opportunity for  
21 explanation to the officer or employee or enrollee concerned,  
22 certify the facts to the Director with specific instructions as  
23 to discipline or dismissal or other corrective actions.



## 1 STATE-OPERATED YOUTH CAMPS

2 SEC. 108. The Director is authorized to enter into agree-  
3 ments with States to assist in the operation or administration  
4 of State-operated programs which carry out the purpose of  
5 this part. The Director may, pursuant to such regulations  
6 as he may adopt, pay part or all of the operative or adminis-  
7 trative costs of such programs.

8 REQUIREMENT FOR STATE APPROVAL OF CONSERVATION  
9 CAMPS AND TRAINING CENTERS

10 SEC. 109. In carrying out the provisions of part A of  
11 this title no conservation camp, training center or other  
12 similar facility designed to carry out the purposes of this  
13 Act, shall be established within a State unless a plan setting  
14 forth such proposed establishment has been submitted to the  
15 Governor of the State and such plan has not been disap-  
16 proved by him within thirty days of such submission.

## 17 PART B—WORK-TRAINING PROGRAMS

## 18 STATEMENT OF PURPOSE

19 SEC. 111. The purpose of this part is to provide useful  
20 work experience opportunities for unemployed young men  
21 and young women, through participation in State and com-  
22 munity work-training programs, so that their employability  
23 may be increased or their education resumed or continued  
24 and so that public agencies and private nonprofit organiza-

1 tions will be enabled to carry out programs which will per-  
2 mit or contribute to an undertaking or service in the public  
3 interest that would not otherwise be provided, or will con-  
4 tribute to the conservation and development of natural  
5 resources and recreational areas.

#### 6 DEVELOPMENT OF PROGRAMS

7 SEC. 112. In order to carry out the purposes of this  
8 part, the Director shall assist and cooperate with State and  
9 local agencies and private nonprofit organizations in devel-  
10 oping programs for the employment of young people in State  
11 and community activities hereinafter authorized, which,  
12 whenever appropriate, shall be coordinated with programs  
13 of training and education provided by local public educa-  
14 tional agencies.

#### 15 FINANCIAL ASSISTANCE

16 SEC. 113. (a) The Director is authorized to enter into  
17 agreements providing for the payment by him of part or all  
18 of the cost of a State or local program submitted hereunder  
19 if he determines, in accordance with such regulations as he  
20 may prescribe, that—

21 (1) enrollees in the program will be employed  
22 either (A) on publicly owned and operated facilities or  
23 projects, or (B) on local projects sponsored by private  
24 nonprofit organizations, other than projects involving



1 the construction, operation, or maintenance of so much  
2 of any facility used or to be used for sectarian instruc-  
3 tion or as a place for religious worship;

4 (2) the program will increase the employability  
5 of the enrollees by providing work experience and train-  
6 ing in occupational skills or pursuits in classifications  
7 in which the Director finds there is a reasonable expect-  
8 ation of employment, or will enable student enrollees to  
9 resume or to maintain school attendance;

10 (3) the program will permit or contribute to an  
11 undertaking or service in the public interest that would  
12 not otherwise be provided, or will contribute to the con-  
13 servation, development, or management of the natural  
14 resources of the State or community or to the develop-  
15 ment, management, or protection of State or community  
16 recreational areas;

17 (4) the program will not result in the displacement  
18 of employed workers or impair existing contracts for  
19 services;

20 (5) the rates of pay and other conditions of em-  
21 ployment will be appropriate and reasonable in the  
22 light of such factors as the type of work performed,  
23 geographical region, and proficiency of the employee;

24 (6) to the maximum extent feasible, the program  
25 will be coordinated with vocational training and educa-

1 tional services adapted to the special needs of enrollees  
2 in such program and sponsored by State or local public  
3 educational agencies: *Provided, however,* That where  
4 such services are inadequate or unavailable, the program  
5 may make provision for the enlargement, improvement,  
6 development, and coordination of such services with the  
7 cooperation of, or where appropriate pursuant to agree-  
8 ment with, the Secretary of Health, Education, and  
9 Welfare; and

10 (7) the program includes standards and procedures  
11 for the selection of applicants, including provisions assur-  
12 ing full coordination and cooperation with local and  
13 other authorities to encourage students to resume or  
14 maintain school attendance.

15 (b) In approving projects under this part, the Director  
16 shall give priority to projects with high training potential.

17 ENROLLEES IN PROGRAM

18 SEC. 114. (a) Participation in programs under this part  
19 shall be limited to young men and women who are perma-  
20 nent residents of the United States, who have attained age  
21 sixteen but have not attained age twenty-two, and whose  
22 participation in such programs will be consistent with the  
23 purposes of this part.

24 (b) Enrollees shall be deemed not to be Federal em-  
25 ployees and shall not be subject to the provisions of laws



1 relating to Federal employment, including those relating to  
2 hours of work, rates of compensation, leave, unemployment  
3 compensation, and Federal employee benefits.

4 (c) Where appropriate to carry out the purposes of this  
5 Act, the Director may provide for testing, counseling, job  
6 development, and referral services to youths through public  
7 agencies or private nonprofit organizations.

#### 8 LIMITATIONS ON FEDERAL ASSISTANCE

9 SEC. 115. Federal assistance to any program pursuant  
10 to this part paid for the period ending two years after the date  
11 of enactment of this Act, or June 30, 1966, whichever is  
12 later, shall not exceed 90 per centum of the costs of such  
13 program, including costs of administration, and such assist-  
14 ance paid for periods thereafter shall not exceed 50 per  
15 centum of such costs, unless the Director determines, pursuant  
16 to regulations adopted and promulgated by him establishing  
17 objective criteria for such determinations, that assistance in  
18 excess of such percentages is required in furtherance of the  
19 purposes of this part. Non-Federal contributions may be in  
20 cash or in kind, fairly evaluated, including but not limited to  
21 plant, equipment, and services.

#### 22 EQUITABLE DISTRIBUTION OF ASSISTANCE

23 SEC. 116. The Director shall establish criteria designed  
24 to achieve an equitable distribution of assistance under this  
25 part among the States. In developing such criteria, he shall

1 consider among other relevant factors the ratios of popula-  
2 tion, unemployment, and family income levels. Not more  
3 than  $12\frac{1}{2}$  per centum of the sums appropriated or allocated  
4 for any fiscal year to carry out the purposes of this part shall  
5 be used within any one State.

## 6 PART C—WORK-STUDY PROGRAMS

### 7 STATEMENT OF PURPOSE

8 SEC. 121. The purpose of this part is to stimulate and  
9 promote the part-time employment of students in institutions  
10 of higher education who are from low-income families and  
11 are in need of the earnings from such employment to pursue  
12 courses of study at such institutions.

### 13 ALLOTMENTS TO STATES

14 SEC. 122. (a) From the sums appropriated to carry  
15 out this title for a fiscal year, the Director shall reserve the  
16 amount needed for making grants under section 123. Not  
17 to exceed 2 per centum of the amount so reserved shall be  
18 allotted by the Director among Puerto Rico, Guam, Ameri-  
19 can Samoa, and the Virgin Islands according to their respec-  
20 tive needs for assistance under this part. The remainder  
21 of the sums so reserved shall be allotted among the States  
22 as provided in subsection (b).

23 (b) Of the sums being allotted under this subsection—

24 (1) one-third shall be allotted by the Director  
25 among the States so that the allotment to each State un-



1        der this clause will be an amount which bears the same  
2        ratio to such one-third as the number of persons en-  
3        rolled on a full-time basis in institutions of higher educa-  
4        tion in such State bears to the total number of persons  
5        enrolled on a full-time basis in institutions of higher  
6        education in all the States,

7            (2) one-third shall be allotted by the Director  
8        among the States so that the allotment to each State  
9        under this clause will be an amount which bears the  
10       same ratio to such one-third as the number of high school  
11       graduates (as defined in section 103 (d) (3) of the  
12       Higher Education Facilities Act of 1963) of such  
13       State bears to the total number of such high school  
14       graduates of all the States, and

15           (3) one-third shall be allotted by him among the  
16       States so that the allotment to each State under this  
17       clause will be an amount which bears the same ratio to  
18       such one-third as the number of related children under  
19       eighteen years of age living in families with annual  
20       incomes of less than \$3,000 in such State bears to the  
21       number of related children under eighteen years of age  
22       living in families with annual incomes of less than  
23       \$3,000 in all the States.

24           (c) The amount of any State's allotment which has not  
25       been granted to an institution of higher education under

1 section 123 at the end of the fiscal year for which appro-  
 2 priated shall be reallocated by the Director, in such manner as  
 3 he determines will best assist in achieving the purposes of  
 4 this Act. Amounts reallocated under this subsection shall be  
 5 available for making grants under section 123 until the close  
 6 of the fiscal year next succeeding the fiscal year for which  
 7 appropriated.

8 (d) For purposes of this section, the term "State" does  
 9 not include Puerto Rico, Guam, American Samoa, and the  
 10 Virgin Islands.

#### 11 GRANTS FOR WORK-STUDY PROGRAMS

12 SEC. 123. The Director is authorized to enter into  
 13 agreements with institutions of higher education (as defined  
 14 by section 401 (f) of the Higher Education Facilities Act of  
 15 1963 (P.L. 88-204) ) under which the Director will make  
 16 grants to such institutions to assist in the operation of work-  
 17 study programs as hereinafter provided.

#### 18 CONDITIONS OF AGREEMENTS

19 SEC. 124. An agreement entered into pursuant to sec-  
 20 tion 123 shall—

21 (a) provide for the operation by the institution of  
 22 a program for the part-time employment of its students  
 23 in work—

24 (1) for the institution itself, or



1                   (2) for a public or private nonprofit organiza-  
2                   tion when the position is obtained through an ar-  
3                   rangement between the institution and such an orga-  
4                   nization and—

5                   (A) the work is related to the student's  
6                   educational objective, or

7                   (B) such work (i) will be in the public  
8                   interest and is work which would not otherwise  
9                   be provided, (ii) will not result in the displace-  
10                  ment of employed workers or impair existing  
11                  contracts for services, and (iii) will be governed  
12                  by such conditions of employment as will be  
13                  appropriate and reasonable in light of such fac-  
14                  tors as the type of work performed, geographi-  
15                  cal region, and proficiency of the employee:

16               *Provided, however,* That no such work shall involve the  
17               construction, operation, or maintenance of so much of any  
18               facility used or to be used for sectarian instruction or  
19               as a place for religious worship;

20               (b) provide that funds granted an institution of  
21               higher education, pursuant to section 123 may be used  
22               only to make payments to students participating in  
23               work-study programs, except that an institution may use  
24               a portion of the sums granted to it to meet administra-  
25               tive expenses, but the amount so used may not exceed

1        5 per centum of the payments made by the Director to  
2        such institution for that part of the work-study program  
3        in which students are working for public or nonprofit  
4        organizations other than the institution itself;

5            (c) provide that employment under such work-  
6        study program shall be furnished only to a student who  
7        (1) is from a low-income family, (2) is in need of the  
8        earnings from such employment in order to pursue a  
9        course of study at such institution, (3) is capable, in the  
10       opinion of the institution, of maintaining good standing  
11       in such course of study while employed under the pro-  
12       gram covered by the agreement, and (4) has been ac-  
13       cepted for enrollment as a full-time student at the institu-  
14       tion or, in the case of a student already enrolled in  
15       and attending the institution, is in good standing and in  
16       full-time attendance there either as an undergraduate,  
17       graduate, or professional student;

18            (d) provide that no student shall be employed  
19        under such work-study program for more than fifteen  
20        hours in any week in which classes in which he is en-  
21        rolled are in session;

22            (e) provide that in each fiscal year during which  
23        the agreement remains in effect, the institution shall ex-  
24        pend (from sources other than payments under this  
25        part) for the employment of its students (whether or not



1 in employment eligible for assistance under this part)  
2 an amount that is not less than its average annual ex-  
3 penditure for such employment during the three fiscal  
4 years preceding the fiscal year in which the agreement is  
5 entered into;

6 (f) provide that the Federal share of the compen-  
7 sation of students employed in the work-study program  
8 in accordance with the agreement will not exceed 90  
9 per centum of such compensation for work performed  
10 during the period ending two years after the date of  
11 enactment of this Act, or June 30, 1966, whichever is  
12 later, and 75 per centum thereafter;

13 (g) include provisions designed to make employ-  
14 ment under such work-study program, or equivalent  
15 employment offered or arranged for by the institution,  
16 reasonably available (to the extent of available funds)  
17 to all eligible students in the institution in need thereof;  
18 and

19 (h) include such other provisions as the Director  
20 shall deem necessary or appropriate to carry out the  
21 purposes of this part.

## 22 SOURCES OF MATCHING FUNDS

23 SEC. 125. Nothing in this part shall be construed as  
24 restricting the source (other than this part) from which  
25 the institution may pay its share of the compensation of a

1 student employed under a work-study program covered by  
2 an agreement under this part.

3 EQUITABLE DISTRIBUTION OF ASSISTANCE

4 SEC. 126. The Director shall establish criteria designed  
5 to achieve such distribution of assistance under this part  
6 among institutions of higher education within a State as will  
7 most effectively carry out the purposes of this Act.

8 PART D—AUTHORIZATION OF APPROPRIATIONS

9 SEC. 131. The Director shall carry out the programs  
10 provided for in this title during the fiscal year ending  
11 June 30, 1965, and the two succeeding fiscal years. For the  
12 purpose of carrying out this title, there is hereby authorized  
13 to be appropriated the sum of \$412,500,000 for the fiscal  
14 year ending June 30, 1965; and for the fiscal year ending  
15 June 30, 1966, and the fiscal year ending June 30, 1967,  
16 such sums may be appropriated as the Congress may here-  
17 after authorize by law.

18 TITLE II—URBAN AND RURAL COMMUNITY  
19 ACTION PROGRAMS

20 PART A—GENERAL COMMUNITY ACTION PROGRAMS

21 STATEMENT OF PURPOSE

22 SEC. 201. The purpose of this part is to provide stimula-  
23 tion and incentive for urban and rural communities to  
24 mobilize their resources to combat poverty through com-  
25 munity action programs.



# 1 COMMUNITY ACTION PROGRAMS

2 SEC. 202. (a) The term “community action program”  
3 means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof, with maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

1 (b) The Director is authorized to prescribe such addi-  
2 tional criteria for programs carried on under this part as he  
3 shall deem appropriate.

4 ALLOTMENT TO STATES

5 SEC. 203. (a) From the sums appropriated to carry  
6 out this title for a fiscal year, the Director shall reserve the  
7 amount needed for carrying out sections 204 and 205. Not  
8 to exceed 2 per centum of the amount so reserved shall be  
9 allotted by the Director among Puerto Rico, Guam, Ameri-  
10 can Samoa, and the Virgin Islands according to their re-  
11 spective needs for assistance under this part. Twenty per  
12 centum of the amount so reserved shall be allotted among  
13 the States as the Director shall determine. The remainder  
14 of the sums so reserved shall be allotted among the States  
15 as provided in subsection (b).

16 (b) Of the sums being allotted under this subsection—

17 (1) one-third shall be allotted by the Director  
18 among the States so that the allotment to each State  
19 under this clause will be an amount which bears the  
20 same ratio to such one-third as the number of public  
21 assistance recipients in such State bears to the total  
22 number of public assistance recipients in all the States;

23 (2) one-third shall be allotted by him among the  
24 States so that the allotment to each State under this  
25 clause will be an amount which bears the same ratio to



1        such one-third as the annual average number of persons  
2        unemployed in such State bears to the annual average  
3        number of persons unemployed in all the States; and

4            (3) the remaining one-third shall be allotted by him  
5        among the States so that the allotment to each State  
6        under this clause will be an amount which bears the  
7        same ratio to such one-third as the number of related  
8        children under 18 years of age living in families with  
9        incomes of less than \$1,000 in such State bears to the  
10       number of related children under 18 years of age living  
11       in families with incomes of less than \$1,000 in all the  
12       States.

13        (c) The portion of any State's allotment under sub-  
14       section (a) for a fiscal year which the Director determines  
15       will not be required for such fiscal year for carrying out this  
16       part shall be available for reallocation from time to time,  
17       on such dates during such year as the Director may fix, to  
18       other States in proportion to their original allotments for such  
19       year, but with such proportionate amount for any of such  
20       other States being reduced to the extent it exceeds the sum  
21       which the Director estimates such State needs and will be  
22       able to use for such year for carrying out this part; and the  
23       total of such reductions shall be similarly reallocated among  
24       the States whose proportionate amounts are not so reduced.  
25       Any amount reallocated to a State under this subsection during

1 a year shall be deemed part of its allotment under subsection

2 (a) for such year.

3 (d) For the purposes of this section, the term "State"  
4 does not include Puerto Rico, Guam, American Samoa, and  
5 the Virgin Islands.

6 FINANCIAL ASSISTANCE FOR DEVELOPMENT OF

7 COMMUNITY ACTION PROGRAMS

8 SEC. 204. The Director is authorized to make grants to,  
9 or to contract with, appropriate public or private nonprofit  
10 agencies, or combinations thereof, to pay part or all of the  
11 costs of development of community action programs.

12 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRA-  
13 TION OF COMMUNITY ACTION PROGRAMS

14 SEC. 205. (a) The Director is authorized to make  
15 grants to, or to contract with, public or private nonprofit  
16 agencies, or combinations thereof, to pay part or all of the  
17 costs of community action programs which have been ap-  
18 proved by him pursuant to this part, including the cost of  
19 carrying out programs which are components of a com-  
20 munity action program and which are designed to achieve  
21 the purposes of this part. Such component programs shall  
22 be focused upon the needs of low-income individuals and  
23 families and shall provide expanded and improved services,  
24 assistance, and other activities, and facilities necessary in



1 connection therewith. Such programs shall be conducted  
2 in those fields which fall within the purposes of this part  
3 including employment, job training and counseling, health,  
4 vocational rehabilitation, housing, home management, wel-  
5 fare, and special remedial and other noncurricular educa-  
6 tional assistance for the benefit of low-income individuals and  
7 families.

8 (b) No grant or contract authorized under this part  
9 may provide for general aid to elementary or secondary  
10 education in any school or school system.

11 (c) In determining whether to extend assistance under  
12 this section the Director shall consider among other relevant  
13 factors the incidence of poverty within the community and  
14 within the areas or groups to be affected by the specific  
15 program or programs, and the extent to which the appli-  
16 cant is in a position to utilize efficiently and expeditiously  
17 the assistance for which application is made. In deter-  
18 mining the incidence of poverty the Director shall consider  
19 information available with respect to such factors as: the  
20 concentration of low-income families, particularly those  
21 with children; the extent of persistent unemployment and  
22 underemployment; the number and proportion of persons  
23 receiving cash or other assistance on a needs basis from  
24 public agencies or private organizations; the number of mi-  
25 grant or transient low-income families; school dropout rates,

1 military service rejection rates, and other evidences of low  
2 educational attainment; the incidence of disease, disability,  
3 and infant mortality; housing conditions; adequacy of com-  
4 munity facilities and services; and the incidence of crime  
5 and juvenile delinquency.

6 (d) In extending assistance under this section the Di-  
7 rector shall give special consideration to programs which  
8 give promise of effecting a permanent increase in the capacity  
9 of individuals, groups, and communities to deal with their  
10 problems without further assistance.

#### 11 TECHNICAL ASSISTANCE

12 SEC. 206. The Director is authorized to provide, either  
13 directly or through grants or other arrangements, (1)  
14 technical assistance to communities in developing, con-  
15 ducting, and administering community action programs, and  
16 (2) training for specialized personnel needed to develop,  
17 conduct, or administer such programs or to provide services  
18 or other assistance thereunder.

#### 19 RESEARCH, TRAINING, AND DEMONSTRATIONS

20 SEC. 207. The Director is authorized to conduct, or to  
21 make grants to or enter into contracts with institutions of  
22 higher education or other appropriate public agencies or  
23 private organizations for the conduct of, research,  
24 training, and demonstrations pertaining to the purposes of  
25 this part. Expenditures under this section in any fiscal year



1 shall not exceed 15 per centum of the sums appropriated  
2 or allocated for such year to carry out the purposes of this  
3 part.

4                   LIMITATIONS ON FEDERAL ASSISTANCE

5       SEC. 208. (a) Assistance pursuant to sections 204 and  
6 '205 paid for the period ending two years after the date of  
7 enactment of this Act, or June 30, 1966, whichever is later,  
8 shall not exceed 90 per centum of the costs referred to in  
9 those sections, respectively, and thereafter shall not exceed  
10 50 per centum of such costs, unless the Director determines,  
11 pursuant to regulations adopted and promulgated by him  
12 establishing objective criteria for such determinations, that  
13 assistance in excess of such percentages is required in fur-  
14 therance of the purposes of this part. Non-Federal con-  
15 tributions may be in cash or in kind, fairly evaluated, in-  
16 cluding but not limited to plant, equipment, and services.

17       (b) The expenditures or contributions made from non-  
18 Federal sources for a community action program or  
19 component thereof shall be in addition to the aggregate ex-  
20 penditures or contributions from non-Federal sources which  
21 were being made for similar purposes prior to the extension  
22 of Federal assistance.

## PARTICIPATION OF STATE AGENCIES

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

(c) In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with or provided to, any private nonprofit or other private institution or organization for the purpose of carrying out any program, project, or other activity within a State, except where such institution or organization is operating in conjunction with, or under the authority of, a public agency, unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however,* That this section shall not apply to contracts, grants, loans, or other assistance to



1 any institutions of higher education in existence on the date  
2 of the approval of this Act.

3           EQUITABLE DISTRIBUTION OF ASSISTANCE

4       SEC. 210. The Director shall establish criteria designed  
5 to achieve an equitable distribution of assistance under this  
6 part within the States between urban and rural areas. In  
7 developing such criteria, he shall consider the relative num-  
8 bers in the States or areas therein of: (1) low-income  
9 families, particularly those with children; (2) unemployed  
10 persons; (3) persons receiving cash or other assistance on  
11 a needs basis from public agencies or private organizations;  
12 (4) school dropouts; (5) adults with less than an eighth-  
13 grade education; and (6) persons rejected for military  
14 service.

15       PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

16       SEC. 211. In determining whether to extend assistance  
17 under this Act, the Director shall, to the extent feasible, give  
18 preference to programs and projects which are components of  
19 a community action program approved pursuant to this part.

20       PART B—ADULT BASIC EDUCATION PROGRAMS

21           DECLARATION OF PURPOSE

22       SEC. 212. It is the purpose of this part to initiate pro-  
23 grams of instruction for individuals who have attained age  
24 eighteen and whose inability to read and write the English

1 language constitutes a substantial impairment of their ability  
2 to get or retain employment commensurate with their real  
3 ability, so as to help eliminate such inability and raise the  
4 level of education of such individuals with a view to making  
5 them less likely to become dependent on others, improving  
6 their ability to benefit from occupational training and other-  
7 wise increasing their opportunities for more productive and  
8 profitable employment, and making them better able to  
9 meet their adult responsibilities.

10 GRANTS TO STATES

11 SEC. 213. (a) From the sums appropriated to carry out  
12 this title, the Director shall make grants to States which  
13 have State plans approved by him under this section.

14 (b) Grants under subsection (a) may be used, in ac-  
15 cordance with regulations of the Director, to—

16 (1) assist in establishment of pilot projects by local  
17 educational agencies, relating to instruction in public  
18 schools, or other facilities used for the purpose by such  
19 agencies, of individuals described in section 212, to (A)  
20 demonstrate, test, or develop modifications, or adaptations  
21 in the light of local needs, of special materials or meth-  
22 ods for instruction of such individuals, (B) stimulate the  
23 development of local educational agency programs for  
24 instruction of such individuals in such schools or other



1 facilities, and (C) acquire additional information con-  
2 cerning the materials or methods needed for an effective  
3 program for raising adult basic educational skills;

4 (2) assist in meeting the cost of local educational  
5 agency programs for instruction of such individuals in  
6 such schools or other facilities; and

7 (3) assist in development or improvement of tech-  
8 nical or supervisory services by the State educational  
9 agency relating to adult basic education programs.

10 STATE PLANS

11 SEC. 214. (a) The Director shall approve for purposes  
12 of this part the plan of a State which—

13 (1) provides for administration thereof by the State  
14 educational agency;

15 (2) provides that such agency will make such re-  
16 ports to the Director, in such form and containing such  
17 information, as may reasonably be necessary to enable  
18 the Director to perform his duties under this part and  
19 will keep such records and afford such access thereto as  
20 the Director finds necessary to assure the correctness  
21 and verification of such reports;

22 (3) provides such fiscal control and fund account-

ing procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies) ;

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 213 (b) , of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

(b) The Director shall not finally disapprove any State



1 plan submitted under this part, or any modification thereof,  
2 without first affording the State educational agency reason-  
3 able notice and opportunity for a hearing.

4 ALLOTMENTS

5 SEC. 215. (a) From the sums allocated for grants to  
6 States under section 213 for any fiscal year, the Director  
7 shall reserve such amount, but not in excess of 2 per centum  
8 thereof, as he may determine, and shall allot such amount  
9 among Puerto Rico, Guam, American Samoa, and the Vir-  
10 gin Islands according to their respective needs for assistance  
11 under this part. The remainder of the sums so allocated for a  
12 fiscal year shall be allotted by the Director on the basis of the  
13 relative number of individuals in each State who have at-  
14 tained age eighteen and who have completed not more than  
15 five grades of school or have not achieved an equivalent level  
16 of education, as determined by the Director on the basis of  
17 the best and most recent information available to him, includ-  
18 ing any relevant data furnished to him by the Department of  
19 Commerce. The amount allotted to any State under the pre-  
20 ceding sentence for any fiscal year which is less than \$50,000  
21 shall be increased to that amount, the total thereby required  
22 being derived by proportionately reducing the amount allotted  
23 to each of the remaining States under the preceding sentence,  
24 but with such adjustments as may be necessary to prevent the  
25 allotment of any of such remaining States from being thereby

1 reduced to less than \$50,000. For the purposes of this  
2 subsection, the term "State" shall not include Puerto Rico,  
3 Guam, American Samoa, and the Virgin Islands.

4 (b) The portion of any State's allotment under sub-  
5 section (a) for a fiscal year which the Director determines  
6 will not be required, for the period such allotment is avail-  
7 able, for carrying out the State plan (if any) approved under  
8 this part shall be available for reallocation from time to time,  
9 on such dates during such period as the Director may fix, to  
10 other States in proportion to the original allotments to such  
11 States under subsection (a) for such year, but with such  
12 proportionate amount for any of such other States being  
13 reduced to the extent it exceeds the sum which the Director  
14 estimates such State needs and will be able to use for such  
15 period for carrying out its State plan approved under this  
16 part; and the total of such reductions shall be similarly  
17 reallocated among the States whose proportionate amounts  
18 are not so reduced. Any amount reallocated to a State under  
19 this subsection during a year shall be deemed part of its  
20 allotment under subsection (a) for such year.

21 (c) The allotment of any State under subsection (a)  
22 for the fiscal year ending June 30, 1965, shall, except to the  
23 extent reallocated under subsection (b), remain available  
24 until June 30, 1966, for obligation by such State for carry-  
25 ing out its State plan approved under this part.



## PAYMENTS

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213 (b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

## OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL

## REVIEW

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Director shall notify such State agency that no further

payments will be made to the State under this part (or in

his discretion, that further payments to the State will be

limited to programs under or portions of the State plan not

affected by such failure), until he is satisfied that there

will no longer be any failure to comply. Until he is so

satisfied, no further payments may be made to such State

under this part (or payments shall be limited to programs

under or portions of the State plan not affected by such

failure).

(b) A State educational agency dissatisfied with a final

action of the Director under section 214 or subsection (a)

of this section may appeal to the United States court of

appeals for the circuit in which the State is located, by

filing a petition with such court within sixty days after such

final action. A copy of the petition shall be forthwith trans-

mitted by the clerk of the court to the Director, or any officer

designated by him for that purpose. The Director thereupon

shall file in the court the record of the proceedings on which

he based his action, as provided in section 2112 of title 28,

United States Code. Upon the filing of such petition, the



1 court shall have jurisdiction to affirm the action of the  
2 Director or to set it aside, in whole or in part, temporarily  
3 or permanently, but until the filing of the record, the  
4 Director may modify or set aside his order. The findings  
5 of the Director as to the facts, if supported by substantial  
6 evidence, shall be conclusive, but the court, for good cause  
7 shown, may remand the case to the Director to take further  
8 evidence, and the Director may thereupon make new or  
9 modified findings of fact and may modify his previous action,  
10 and shall file in the court the record of the further proceed-  
11 ings. Such new or modified findings of fact shall likewise  
12 be conclusive if supported by substantial evidence. The  
13 judgment of the court affirming or setting aside, in whole or  
14 in part, any action of the Director shall be final, subject to  
15 review by the Supreme Court of the United States upon  
16 certiorari or certification as provided in section 1254 of title  
17 28, United States Code. The commencement of proceedings  
18 under this subsection shall not, unless so specifically ordered  
19 by the court, operate as a stay of the Director's action.

20 MISCELLANEOUS

21 SEC. 218. For purposes of this part—

22 (1) the term "State educational agency" means  
23 the State board of education or other agency or officer  
24 primarily responsible for the State supervision of public

1 elementary and secondary schools, or, if different, the  
2 agency or officer primarily responsible for supervision  
3 of adult basic education in public schools, whichever  
4 may be designated by the Governor or by State law, or,  
5 if there is no such agency or officer, an agency or officer  
6 designated by the Governor or by State law;

7 (2) the term "local educational agency" means a  
8 board of education or other legally constituted local  
9 school authority having administrative control and di-  
10 rection of public elementary or secondary schools in a  
11 city, county, township, school district, or political sub-  
12 division in a State, except that if there is a separate  
13 board or other legally constituted local authority having  
14 administrative control and direction of adult basic edu-  
15 cation in public schools therein, it means such other  
16 board or authority.

17 PART C—VOLUNTARY ASSISTANCE PROGRAM FOR  
18 NEEDY CHILDREN

19 STATEMENT OF PURPOSE

20 SEC. 219. The purpose of this part is to allow individual  
21 Americans to participate in a personal way in the war on  
22 poverty, by voluntarily assisting in the support of one or  
23 more needy children, in a program coordinated with city or  
24 county social welfare agencies.



## 1        AUTHORITY TO ESTABLISH INFORMATION CENTER

2        SEC. 220. (a) In order to carry out the purposes of  
3 this part, the Director is authorized to establish a section  
4 within the Office of Economic Opportunity to act as an infor-  
5 mation and coordination center to encourage voluntary as-  
6 sistance for deserving and needy children. Such section shall  
7 collect the names of persons who voluntarily desire to assist  
8 financially such children and shall secure from city or county  
9 social welfare agencies such information concerning deserv-  
10 ing and needy children as the Director shall deem appro-  
11 priate.

12        (b) It is the intent of the Congress that the section  
13 established pursuant to this part shall act solely as an in-  
14 formation and coordination center and that nothing in this  
15 part shall be construed as interfering with the jurisdiction  
16 of State and local welfare agencies with respect to programs  
17 for needy children.

## 18        PART D—AUTHORIZATION OF APPROPRIATIONS

19        SEC. 221. The Director shall carry out the programs  
20 provided for in this title during the fiscal year ending  
21 June 30, 1965, and the two succeeding fiscal years. For the  
22 purpose of carrying out this title, there is hereby author-  
23 ized to be appropriated the sum of \$340,000,000 for the

1 fiscal year ending June 30, 1965; and for the fiscal year  
2 ending June 30, 1966, and the fiscal year ending June 30,  
3 1967, such sums may be appropriated as the Congress  
4 may hereafter authorize by law.

5 TITLE III—SPECIAL PROGRAMS TO COMBAT  
6 POVERTY IN RURAL AREAS

7 STATEMENT OF PURPOSE

8 SEC. 301. It is the purpose of this title to meet some of  
9 the special problems of rural poverty and thereby to raise  
10 and maintain the income and living standards of low-income  
11 rural families and migrant agricultural employees and their  
12 families.

13 PART A—AUTHORITY TO MAKE GRANTS AND LOANS

14 SEC. 302. (a) The Director is authorized to make—

15 (1) loans of not to exceed \$1,500 to low-income  
16 rural families where, in the judgment of the Director,  
17 such loans have a reasonable possibility of effecting  
18 a permanent increase in the income of such families by  
19 assisting or permitting them to—

20 (A) acquire or improve real estate or reduce  
21 encumbrances or erect improvements thereon,

22 (B) operate or improve the operation of farms  
23 not larger than family sized, including but not lim-



1           ited to the purchase of feed, seed, fertilizer, livestock,  
2           poultry, and equipment, or

3           (C) participate in cooperative associations; and

4           (2) loans to such families, having a maximum  
5           maturity of fifteen years and in amounts not exceeding  
6           \$2,500 in the aggregate to any family at any one time,  
7           to finance nonagricultural enterprises which will enable  
8           such families to supplement their income.

9           (b) Loans under this section shall be made only if  
10          the family is not qualified to obtain such funds by loan under  
11          other Federal programs. The Director may reduce or release  
12          obligations resulting from a loan made under this section if  
13          he finds that the debtor has attempted in good faith to com-  
14          ply with his loan obligations and that either the objective for  
15          which the loan was made will likely not be achieved or the  
16          indebtedness exceeds the debtor's reasonable payment ability.

#### 17                                   COOPERATIVE ASSOCIATIONS

18          SEC. 303. The Director is authorized to make loans to  
19          local cooperative associations furnishing essential processing,  
20          purchasing, or marketing services, supplies, or facilities pre-  
21          dominantly to low-income rural families.

#### 22                                   LIMITATIONS ON ASSISTANCE

23          SEC. 304. No financial or other assistance shall be pro-  
24          vided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

#### LOAN TERMS AND CONDITIONS

SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering



1 other costs of the program as the Director may deter-  
2 mine to be consistent with its purposes;

3 (e) with respect to loans made pursuant to section  
4 303, the loan is repayable within not more than thirty  
5 years; and

6 (f) no financial or other assistance shall be pro-  
7 vided under this part to or in connection with any corpo-  
8 ration or cooperative organization for the production of  
9 agricultural commodities or for manufacturing purposes.

10 PART B—ASSISTANCE FOR MIGRANT AGRICULTURAL  
11 EMPLOYEES AND THEIR FAMILIES

12 SEC. 311. The Director shall develop and implement  
13 as soon as practicable a program to assist the States, political  
14 subdivisions of States, public and nonprofit agencies, institu-  
15 tions, organizations, farm associations, or individuals in es-  
16 tablishing and operating programs of assistance for migrant  
17 agricultural employees and their families which programs  
18 shall be limited to housing, sanitation, education, and day  
19 care of children. Institutions, organizations, farm associa-  
20 tions, or individuals shall be limited to direct loans.

21 PART C—AUTHORIZATION OF APPROPRIATIONS

22 SEC. 321. The Director shall carry out the program  
23 provided for in this title during the fiscal year ending June  
24 30, 1965, and the two succeeding fiscal years. For the pur-

pose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

#### PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS

SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1965.



1 TITLE IV—EMPLOYMENT AND INVESTMENT  
2 INCENTIVES

3 STATEMENT OF PURPOSE

4 SEC. 401. It is the purpose of this title to assist in the  
5 establishment, preservation, and strengthening of small busi-  
6 ness concerns and improve the managerial skills employed  
7 in such enterprises; and to mobilize for these objectives  
8 private as well as public managerial skills and resources.

9 LOANS, PARTICIPATIONS, AND GUARANTIES

10 SEC. 402. The Director is authorized to make, partici-  
11 pate (on an immediate basis) in, or guarantee loans, repay-  
12 able in not more than fifteen years, to any small business  
13 concern (as defined in section 3 of the Small Business Act  
14 (15 U.S.C. 632) and regulations issued thereunder), or to  
15 any qualified person seeking to establish such a concern,  
16 when he determines that such loans will assist in carrying  
17 out the purposes of this title, with particular emphasis on em-  
18 ployment of the long-term unemployed: *Provided, however,*  
19 That no such loans shall be made, participated in, or guar-  
20 anteed if the total of such Federal assistance to a single bor-  
21 rower outstanding at any one time would exceed \$25,000.  
22 The Director may defer payments on the principal of such  
23 loans for a grace period and use such other methods as he  
24 deems necessary and appropriate to assure the successful  
25 establishment and operation of such concern. The Director

1 may, in his discretion, as a condition of such financial assist-  
2 ance, require that the borrower take steps to improve his  
3 management skills by participating in a management train-  
4 ing program approved by the Director. The Director shall  
5 encourage, as far as possible, the participation of the private  
6 business community in the program of assistance to such  
7 concerns.

#### 8 COORDINATION WITH COMMUNITY ACTION PROGRAMS

9 SEC. 403. No financial assistance shall be provided under  
10 section 402 in any community for which the Director has  
11 approved a community action program pursuant to title II  
12 of this Act unless such financial assistance is determined by  
13 him to be consistent with such program.

#### 14 FINANCING UNDER SMALL BUSINESS ACT

15 SEC. 404. Such lending and guaranty functions under  
16 this title as may be delegated to the Small Business Adminis-  
17 tration may be financed with funds appropriated to the  
18 revolving fund established by section 4(c) of the Small  
19 Business Act (15 U.S.C. 633 (c)) for the purposes of sec-  
20 tions 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636  
21 (a), 636(b), 637(a)).

#### 22 LOAN TERMS AND CONDITIONS

23 SEC. 405. Loans made pursuant to section 402 (includ-  
24 ing immediate participations in and guaranties of such loans)



1 shall have such terms and conditions as the Director shall  
2 determine, subject to the following limitations—

3 (a) there is reasonable assurance of repayment of  
4 the loan;

5 (b) the financial assistance is not otherwise avail-  
6 able on reasonable terms from private sources or other  
7 Federal, State, or local programs;

8 (c) the amount of the loan, together with other  
9 funds available, is adequate to assure completion of the  
10 project or achievement of the purposes for which the  
11 loan is made;

12 (d) the loan bears interest at a rate not less than  
13 (1) a rate determined by the Secretary of the Treasury,  
14 taking into consideration the average market yield on  
15 outstanding Treasury obligations of comparable maturity,  
16 plus (2) such additional charge, if any, toward covering  
17 other costs of the program as the Director may determine  
18 to be consistent with its purposes: *Provided, however,*  
19 That the rate of interest charged on loans made in re-  
20 development areas designated under the Area Redevelop-  
21 ment Act (42 U.S.C. 2501 et seq.) shall not exceed  
22 the rate currently applicable to new loans made under  
23 section 6 of that Act (42 U.S.C. 2505) ; and

24 (e) fees not in excess of amounts necessary to cover

1 administrative expenses and probable losses may be  
2 required on loan guaranties.

3 LIMITATION ON FINANCIAL ASSISTANCE

4 SEC. 406. No financial assistance shall be extended pur-  
5 suant to this title where the Director determines that the as-  
6 sistance will be used in relocating establishments from one  
7 area to another or in financing subcontractors to enable them  
8 to undertake work theretofore performed in another area  
9 by other subcontractors or contractors.

10 DURATION OF PROGRAM

11 SEC. 407. The Director shall carry out the programs  
12 provided for in this title during the fiscal year ending June  
13 30, 1965, and the two succeeding fiscal years.

14 TITLE V—WORK EXPERIENCE PROGRAMS

15 STATEMENT OF PURPOSE

16 SEC. 501. It is the purpose of this title to expand the  
17 opportunities for constructive work experience and other  
18 needed training available to persons who are unable to sup-  
19 port or care for themselves or their families. In carrying  
20 out this purpose, the Director shall make maximum use of the  
21 programs available under the Manpower Development and  
22 Training Act of 1962, as amended, and Vocational Educa-  
23 tion Act of 1963.



1            PAYMENTS FOR EXPERIMENTAL, PILOT, AND  
2            DEMONSTRATION PROJECTS

3        SEC. 502. In order to stimulate the adoption of pro-  
4 grams designed to help unemployed fathers and other needy  
5 persons to secure and retain employment or to attain or retain  
6 capability for self-support or personal independence, the  
7 Director is authorized to transfer funds appropriated or allo-  
8 cated to carry out the purposes of this title to the Secretary of  
9 Health, Education, and Welfare to enable him to make pay-  
10 ments for experimental, pilot, or demonstration projects under  
11 section 1115 of the Social Security Act (42 U.S.C. 1315),  
12 subject to the limitations contained in section 409 (a) (1) to  
13 (6), inclusive, of such Act (42 U.S.C. 609 (a) (1)–(6)),  
14 in addition to the sums otherwise available pursuant thereto.  
15 The costs of such projects to the United States for the fiscal  
16 year ending June 30, 1965, shall, notwithstanding the provi-  
17 sions of such Act, be met entirely from funds appropriated  
18 or allocated to carry out the purposes of this title.

19            AUTHORIZATION OF APPROPRIATIONS

20        SEC. 503. The Director shall carry out the programs  
21 provided for in this title during the fiscal year ending June  
22 30, 1965, and the two succeeding fiscal years. For the pur-  
23 pose of carrying out this title, there is hereby authorized to  
24 be appropriated the sum of \$150,000,000 for the fiscal year  
25 ending June 30, 1965; and for the fiscal year ending June

30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

## TITLE VI—ADMINISTRATION AND COORDINATION

### PART A—ADMINISTRATION

#### OFFICE OF ECONOMIC OPPORTUNITY

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5 (b) of the Reorganization Act of 1949 (5 U.S.C. 133z-3 (b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.



1       (c) The compensation of the Director of the Office of  
2   Economic Opportunity shall be fixed by the President at a  
3   rate not in excess of the annual rate of compensation pay-  
4   able to the Director of the Bureau of the Budget.

5       (d) The compensation of the Deputy Director of the  
6   Office of Economic Opportunity shall be fixed by the Presi-  
7   dent at a rate not in excess of the annual rate of compen-  
8   sation payable to the Deputy Director of the Bureau of the  
9   Budget.

10      (e) The compensation of the Assistant Directors of the  
11   Office of Economic Opportunity shall be fixed by the Presi-  
12   dent at a rate not in excess of the annual rate of compensa-  
13   tion payable to the Assistant Secretaries of the Executive  
14   Departments.

15                                   AUTHORITY OF DIRECTOR

16      SEC. 602. In addition to the authority conferred upon  
17   him by other sections of this Act, the Director is authorized,  
18   in carrying out his functions under this Act, to—

19           (a) appoint in accordance with the civil service  
20   laws such personnel as may be necessary to enable the  
21   Office to carry out its functions, and, except as otherwise  
22   provided herein, fix their compensation in accordance  
23   with the Classification Act of 1949 (5 U.S.C. 1071 et  
24   seq.) ;

25           (b) employ experts and consultants or organiza-

1        tions thereof as authorized by section 15 of the Admin-  
2        istrative Expenses Act of 1946 (5 U.S.C. 55a), com-  
3        pensate individuals so employed at rates not in excess  
4        of \$100 per diem, including travel time, and allow them,  
5        while away from their homes or regular places of busi-  
6        ness, travel expenses (including per diem in lieu of sub-  
7        sistence) as authorized by section 5 of such Act (5  
8        U.S.C. 73b-2) for persons in the Government service  
9        employed intermittently, while so employed: *Provided,*  
10      *however,* That contracts for such employment may be  
11      renewed annually;

12            (c) appoint, without regard to the civil service  
13      laws, one or more advisory committees composed of  
14      such private citizens and officials of the Federal, State,  
15      and local governments as he deems desirable to advise  
16      him with respect to his functions under this Act; and  
17      members of such committees (including the National  
18      Advisory Council established in section 605), other than  
19      those regularly employed by the Federal Government,  
20      while attending meetings of such committees or other-  
21      wise serving at the request of the Director, shall be  
22      entitled to receive compensation and travel expenses  
23      as provided in subsection (b) with respect to experts  
24      and consultants;

25            (d) with the approval of the President, arrange



1 with and reimburse the heads of other Federal agencies  
2 for the performance of any of his functions under this  
3 Act and, as necessary or appropriate, delegate any of  
4 his powers under this Act and authorize the redelega-  
5 tion thereof;

6 (e) utilize, with their consent, the services and  
7 facilities of Federal agencies without reimbursement,  
8 and, with the consent of any State or a political subdi-  
9 vision of a State, accept and utilize the services and facil-  
10 ities of the agencies of such State or subdivision without  
11 reimbursement;

12 (f) accept in the name of the Office, and employ  
13 or dispose of in furtherance of the purposes of this Act,  
14 or of any title thereof, any money or property, real,  
15 personal, or mixed, tangible or intangible, received by  
16 gift, devise, bequest, or otherwise;

17 (g) accept voluntary and uncompensated services,  
18 notwithstanding the provisions of section 3679 (b) of  
19 the Revised Statutes (31 U.S.C. 665 (b) ) ;

20 (h) allocate and expend, or transfer to other Fed-  
21 eral agencies for expenditure, funds made available un-  
22 der this Act as he deems necessary to carry out the  
23 provisions hereof, including (without regard to the pro-  
24 visions of section 4774 (d) of title 10, United States

1 Code) expenditure for construction, repairs, and capital  
2 improvements;

3 (i) disseminate, without regard to the provisions of  
4 section 4154 of title 39, United States Code, data and  
5 information, in such form as he shall deem appropriate,  
6 to public agencies, private organizations, and the gen-  
7 eral public;

8 (j) adopt an official seal, which shall be judicially  
9 noticed;

10 (k) notwithstanding any other provision of law  
11 relating to the acquisition, handling, or disposal of  
12 real or personal property by the United States, deal  
13 with, complete, rent, renovate, modernize, or sell for  
14 cash or credit at his discretion any properties acquired  
15 by him in connection with loans, participations, and  
16 guaranties made by him pursuant to titles III and IV of  
17 this Act;

18 (l) collect or compromise all obligations to or held  
19 by him and all legal or equitable rights accruing to  
20 him in connection with the payment of obligations un-  
21 til such time as such obligations may be referred to  
22 the Attorney General for suit or collection;

23 (m) expend, without regard to the provisions of any  
24 other law or regulation, funds made available for pur-



1       poses of this Act (1) for printing and binding, and (2)  
2       for rent of buildings and space in buildings and for  
3       repair, alteration, and improvement of buildings and  
4       space in buildings rented by him; but the Director shall  
5       not utilize the authority contained in this clause (A) ex-  
6       cept when necessary in order to obtain an item, service,  
7       or facility, which is required in the proper administra-  
8       tion of this Act, and which otherwise could not be ob-  
9       tained, or could not be obtained in the quantity or quality  
10      needed, or at the time, in the form, or under the con-  
11      ditions in which, it is needed, and (B) prior to having  
12      given written notification to the Administrator of General  
13      Services (if the exercise of such authority would affect  
14      an activity which otherwise would be under the jurisdic-  
15      tion of the General Services Administration) or the  
16      Chairman of the Joint Committee on Printing (if the  
17      exercise of such authority would affect an activity which  
18      otherwise would be under the jurisdiction of such Com-  
19      mittee) of his intention to exercise such authority, the  
20      item, service, or facility with respect to which such  
21      authority is proposed to be exercised, and the reasons  
22      and justifications for the exercise of such authority;  
23      and

24               (n) establish such policies, standards, criteria, and  
25      procedures, prescribe such rules and regulations, enter

1 into such contracts and agreements with public agencies  
2 and private organizations and persons, make such pay-  
3 ments (in lump sum or installments, and in advance  
4 or by way of reimbursement, and in the case of grants,  
5 with necessary adjustments on account of overpay-  
6 ments or underpayments), and generally perform such  
7 functions and take such steps as he may deem to be  
8 necessary or appropriate to carry out the provisions of  
9 this Act.

10 VOLUNTEERS IN SERVICE TO AMERICA

11 SEC. 603. (a) The Director is authorized to recruit,  
12 select, train, and—

13 (1) upon request of State or local agencies or pri-  
14 vate nonprofit organizations, refer volunteers to perform  
15 duties in furtherance of programs combating poverty at  
16 a State or local level; and

17 (2) in cooperation with other Federal, State, or  
18 local agencies involved, assign volunteers to work (A)  
19 in meeting the health, education, welfare, or related  
20 needs of Indians living on reservations, of migratory  
21 workers and their families, or of residents of the District  
22 of Columbia, the Commonwealth of Puerto Rico, Guam,  
23 American Samoa, the Virgin Islands, or the Trust Terri-  
24 tory of the Pacific Islands; (B) in the care and reha-  
25 bilitation of the mentally ill or mentally retarded under



1 treatment at nonprofit mental health or mental retarda-  
2 tion facilities assisted in their construction or operation  
3 by Federal funds; and (C) in furtherance of programs  
4 or activities authorized or supported under title I or II  
5 of this Act.

6 (b) The referral or assignment of volunteers shall be  
7 on such terms and conditions as the Director may determine,  
8 but volunteers shall not be referred or assigned to duties or  
9 work in any State without the consent of the Governor.

10 (c) The Director is authorized to provide to all volun-  
11 teers during training and to volunteers assigned pursuant to  
12 subsection (a) (2) such stipend, not to exceed \$50 per  
13 month, such living, travel, and leave allowances, and such  
14 housing, transportation (including travel to and from the  
15 place of training), supplies, equipment, subsistence, clothing,  
16 and health and dental care as the Director may deem neces-  
17 sary or appropriate for their needs.

18 (d) Volunteers shall be deemed not to be Federal em-  
19 ployees and shall not be subject to the provisions of laws  
20 relating to Federal employment, including those relating to  
21 hours of work, rates of compensation, leave, unemployment  
22 compensation, and Federal employee benefits, except that all  
23 volunteers during training and such volunteers as are as-  
24 signed pursuant to subsection (a) (2) shall be deemed Fed-

1 eral employees to the same extent as enrollees of the Corps  
2 under section 106 (b), (c), and (d) of this Act.

3 ECONOMIC OPPORTUNITY COUNCIL

4 SEC. 604. (a) There is hereby established an Economic  
5 Opportunity Council, which shall consult with and advise the  
6 Director in carrying out his functions, including the coordina-  
7 tion of antipoverty efforts by all segments of the Federal  
8 Government.

9 (b) The Council shall include the Director, who shall  
10 be Chairman, the Secretary of Defense, the Attorney Gen-  
11 eral, the Secretaries of the Interior, Agriculture, Commerce,  
12 Labor, and Health, Education, and Welfare, the Housing  
13 and Home Finance Administrator, the Administrator of the  
14 Small Business Administration, the Chairman of the Council  
15 of Economic Advisers, the Director of Selective Service, and  
16 such other agency heads as the President may designate, or  
17 delegates thereof.

18 NATIONAL ADVISORY COUNCIL

19 SEC. 605. There is hereby established in the Office a  
20 National Advisory Council. The Council shall be composed  
21 of the Director, who shall be Chairman, and not more than  
22 fourteen additional members appointed by the President,  
23 without regard to the civil service laws, who shall be repre-  
24 sentative of the public in general and appropriate fields of



1 endeavor related to the purposes of this Act. Upon the re-  
2 quest of the Director, the Council shall review the opera-  
3 tions and activities of the Office, and shall make such recom-  
4 mendations with respect thereto as are appropriate. The  
5 Council shall meet at least once each year and at such other  
6 times as the Director may request.

7 REVOLVING FUND

8 SEC. 606. (a) To carry out the lending and guaranty  
9 functions authorized under titles III and IV of this Act,  
10 there is authorized to be established a revolving fund. The  
11 capital of the fund shall consist of such amounts as may be  
12 advanced to it by the Director from funds appropriated pur-  
13 suant to section 321 and shall remain available until  
14 expended.

15 (b) The Director shall pay into miscellaneous receipts  
16 of the Treasury, at the close of each fiscal year, interest on  
17 the capital of the fund at a rate determined by the Secretary  
18 of the Treasury, taking into consideration the average market  
19 yield on outstanding Treasury obligations of comparable  
20 maturity during the last month of the preceding fiscal year.  
21 Interest payments may be deferred with the approval of the  
22 Secretary of the Treasury, but any interest payments so  
23 deferred shall themselves bear interest.

24 (c) Whenever any capital in the fund is determined by

1 the Director to be in excess of current needs, such capital  
2 shall be credited to the appropriation from which advanced,  
3 where it shall be held for future advances.

4 (d) Receipts from any lending and guaranty operations  
5 under this Act (except operations under title IV carried on  
6 by the Small Business Administration) shall be credited to  
7 the fund. The fund shall be available for the payment of all  
8 expenditures of the Director for loans, participations, and  
9 guaranties authorized under titles III and IV of this Act.

#### 10 LABOR STANDARDS

11 SEC. 607. All laborers and mechanics employed by con-  
12 tractors or subcontractors in the construction, alteration or  
13 repair, including painting and decorating of projects, build-  
14 ings and works which are federally assisted under this Act  
15 shall be paid wages at rates not less than those prevailing on  
16 similar construction in the locality as determined by the Sec-  
17 retary of Labor in accordance with the Davis-Bacon Act, as  
18 amended (40 U.S.C. 276a—276a-5). The Secretary of  
19 Labor shall have, with respect to such labor standards, the  
20 authority and functions set forth in Reorganization Plan  
21 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5  
22 U.S.C. 133—133z-15), and section 2 of the Act of June 13,  
23 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.  
24 276 (c) ).



## REPORTS

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

## DEFINITIONS

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

(1) the spouse or child of an enrollee, and

(2) any other relative who draws substantial support from the enrollee.

## 1 PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

## 2 COORDINATION

3 SEC. 611. (a) In order to insure that all Federal pro-  
4 grams related to the purposes of this Act are carried out in a  
5 coordinated manner—

6 (1) the Director is authorized to call upon other  
7 Federal agencies to supply such statistical data, program  
8 reports, and other materials as he deems necessary to  
9 discharge his responsibilities under this Act, and to assist  
10 the President in coordinating the antipoverty efforts of  
11 all Federal agencies;

12 (2) Federal agencies which are engaged in admin-  
13 istering programs related to the purposes of this Act, or  
14 which otherwise perform functions relating thereto,  
15 shall—

16 (A) cooperate with the Director in carrying  
17 out his duties and responsibilities under this Act;  
18 and

19 (B) carry out their programs and exercise their  
20 functions in such manner as will, to the maximum  
21 extent permitted by other applicable law, assist in  
22 carrying out the purposes of this Act; and

23 (3) the President may direct that particular pro-



1       grams and functions, including the expenditure of funds,  
2       of the Federal agencies referred to in paragraph (2)  
3       shall be carried out, to the extent not inconsistent with  
4       other applicable law, in conjunction with or in support  
5       of programs authorized under this Act.

6       (b) In order to insure that all existing Federal agencies  
7       are utilized to the maximum extent possible in carrying out  
8       the purposes of this Act, no funds appropriated to carry out  
9       this Act shall be used to establish any new department or  
10      office when the intended function is being performed by an  
11      existing department or office.

12           PREFERENCE TO COMMUNITY ACTION PROGRAMS

13      SEC. 612. To the extent feasible and consistent with the  
14      provisions of law governing any Federal program and with  
15      the purposes of this Act, the head of each Federal agency  
16      administering any Federal program is directed to give  
17      preference to any application for assistance or benefits which  
18      is made pursuant to or in connection with a community action  
19      program approved pursuant to title II of this Act.

20           INFORMATION CENTER

21      SEC. 613. In order to insure that all Federal programs  
22      related to the purposes of this Act are utilized to the maxi-  
23      mum extent possible, and to insure that information con-  
24      cerning such programs and other relevant information is  
25      readily available in one place to public officials and other

1 interested persons, the Director is authorized as he deems  
2 appropriate to collect, prepare, analyze, correlate, and dis-  
3 tribute such information, either free of charge or by sale  
4 at cost (any funds so received to be deposited to the Direc-  
5 tor's account as an offset to such cost), and make arrange-  
6 ments and pay for any printing and binding without regard  
7 to the provisions of any other law or regulation.

8 PROHIBITION OF FEDERAL CONTROL

9 SEC. 614. Nothing contained in this Act shall be con-  
10 strued to authorize any department, agency, officer, or em-  
11 ployee of the United States to exercise any direction,  
12 supervision, or control over the curriculum, program of  
13 instruction, administration, or personnel of any educational  
14 institution or school system.

15 AUTHORIZATION OF APPROPRIATIONS

16 SEC. 615. The Director shall carry out the programs  
17 provided for in this title during the fiscal year ending June  
18 30, 1965, and the two succeeding fiscal years. For the  
19 purpose of carrying out this title (other than for purposes  
20 of making credits to the revolving fund established by section  
21 606 (a) ), there is hereby authorized to be appropriated the  
22 sum of \$10,000,000 for the fiscal year ending June 30,  
23 1965; and for the fiscal year ending June 30, 1966, and the  
24 fiscal year ending June 30, 1967, such sums may be appro-  
25 priated as the Congress may hereafter authorize by law.



1 TITLE VII—TREATMENT OF UNEMPLOYMENT  
2 COMPENSATION BENEFITS AND INCOME FOR  
3 CERTAIN PUBLIC ASSISTANCE PURPOSES

4 UNEMPLOYMENT COMPENSATION

5 SEC. 701. (a) No individual who otherwise is entitled,  
6 under title XV of the Social Security Act or the unemploy-  
7 ment compensation law of any State, to any unemployment  
8 benefit shall be denied such benefit, or have such benefit  
9 reduced, solely because he or any other person participated in  
10 any work, training, or other activity, provided by any pro-  
11 gram established by, pursuant to, or assisted under, title I or  
12 II of this Act.

13 (b) No individual shall be denied participation in any  
14 work, training, or other activity provided by any program  
15 established by, pursuant to, or assisted under, title I or II of  
16 this Act solely because he, or any other person, receives, or  
17 is entitled to receive, any benefit under any unemployment  
18 compensation law.

19 PUBLIC ASSISTANCE

20 SEC. 702. (a) Notwithstanding the provisions of titles  
21 I, IV, X, XIV, and XVI of the Social Security Act, a State  
22 plan approved under any such title shall provide that—

23 (1) the first \$85 plus one-half of the excess over  
24 \$85 of payments made to or on behalf of any person for  
25 or with respect to any month under title I or II of this  
26 Act or any program assisted under such title shall not be

1       regarded (A) as income or resources of such person in  
2       determining his need under such approved State plan,  
3       or (B) as income or resources of any other individual  
4       in determining the need of such other individual under  
5       such approved State plan;

6           (2) no payments made to or on behalf of any per-  
7       son for or with respect to any month under such title or  
8       any such program shall be regarded as income or re-  
9       sources of any other individual in determining the need  
10      of such other individual under such approved State plan  
11      except to the extent made available to or for the benefit  
12      of such other individual; and

13           (3) no grant made to any family under title III  
14      of this Act shall be regarded as income or resources of  
15      such family in determining the need of any member  
16      thereof under such approved State plan.

17       (b) No funds to which a State is otherwise entitled  
18      under title I, IV, X, XIV, or XVI of the Social Security  
19      Act for any period before July 1, 1965, shall be withheld  
20      by reason of any action taken pursuant to a State statute  
21      which prevents such State from complying with the require-  
22      ments of subsection (a).

Passed the Senate July 23, 1964.

Attest:

FELTON M. JOHNSTON,

*Secretary.*



88<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**S. 2642**

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**AN ACT**

To mobilize the human and financial resources  
of the Nation to combat poverty in the  
United States.

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JULY 23, 1964

Ordered to be printed as passed







# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business Postage and fees paid  
U. S. Department of Agriculture

Issued July 29, 1964

For actions of July 28, 1964

88th-2nd; No. 144

### CONTENTS

|                            |                            |                          |
|----------------------------|----------------------------|--------------------------|
| Acreage allotments.....21  | Flood control.....26       | Platform.....29          |
| Administrative law.....21  | Foreign trade.....31,33    | Poverty.....4,20,34      |
| Alaska.....1               | Forestry.....7,8,11        | Reclamation.....6,26     |
| Appropriations....12,16,17 | Housing.....25,37          | Recreation.....3,23      |
| Automation.....27          | Information.....21         | Retirement.....39        |
| Civil rights.....32        | Inspection services.....9  | Roads.....11             |
| Consumer credit.....22     | Labeling.....40            | Soil conservation.....30 |
| Disaster relief.....5      | Lands.....8                | Strip-mining.....20      |
| Education.....24,38        | Lumber exports.....33      | Taxation.....15          |
| Electrification.....15     | Meat imports.....13        | Tobacco.....40           |
| Ethics.....14              | Meteorological services.18 | Wheat.....31             |
| Expenditures.....36        | Minerals.....10            | Wilderness.....2         |
| Farm labor.....35          | Organization of            | Wool.....19              |
| Farm prices.....28         | Congress.....14            |                          |
| Feed.....5                 | Personnel.....7,39         |                          |

HIGHLIGHTS: Senate passed meat-import restrictions bill. Sen. Bennett criticized USDA's "Consumer's Quick Credit Guide." House agreed to resolution for consideration of wilderness bill. House acted on Senate amendments to road authorization bill. House Rules Committee cleared poverty bill.

### HOUSE

1. ALASKA. Conferees were appointed on S. 2881, the Alaska relief bill. Senate conferees had already been appointed. p. 16630
2. WILDERNESS. Agreed to resolution providing for consideration of H.R. 9070, to establish a Wilderness Preservation System. pp. 16648-9.
3. RECREATION. Rep. Halleck inserted his testimony before the Subcommittee on Public Lands in opposition to S. 2249, to establish the Indiana Dunes National Lakeshore. pp. 16651-3



4. **POVERTY.** The Rules Committee granted an open rule, with 6 hours of debate, on H.R. 11377, the poverty bill. p. D600  
Rep. Cleveland criticized the poverty program and inserted an editorial, "Poor Excuse." p. 16655  
Rep. Fogarty inserted an article, "Poverty and Health: A Vicious Circle," which discusses the effects of poor health on work capacity. p. 16658
5. **DISASTER RELIEF; FEED.** Both Houses received from this Department a proposed bill to facilitate pricing of feed made available for use in emergency areas, to establish penalties for misuse of feed made available for relieving distress or for preservation and maintenance of foundation herds; to House Agriculture and Senate Agriculture and Forestry Committees. pp. 16507, 16662
6. **RECLAMATION.** The Interior and Insular Affairs Committee reported with amendment H.R. 1003, to make certain provisions in connection with the construction of the Garrison diversion unit, Missouri River Basin project (H. Rept. 1606). p. 16662
7. **FORESTRY; PERSONNEL.** The Judiciary Committee reported with amendment H.R. 3800, to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel (H. Rept. 1617); and H. R. 11546, without amendment, to validate certain payments made to employees of the Forest Service (H. Rept. 1620). p. 16662
8. **LANDS; FORESTRY.** The Agriculture Committee reported with amendment H.R. 4242, to provide for the release and transfer of all right, title, and interest of the U.S. in and to certain FHA tracts of land in Pender County, N.C. (H. Rept. 1621); H. R. 10069, without amendment, to authorize the exchange of lands adjacent to the Lassen National Forest in Calif. (H. Rept. 1623); and S. 2218, without amendment to authorize the Secretary of Interior to accept the transfer of certain national forest lands in Cocke County, Tenn. (H. Rept. 1624). p. 16662
9. **INSPECTION SERVICES.** The Agriculture Committee reported without amendment H.R. 9180, to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work (H. Rept. 1622). p. 16662
10. **MINERALS.** The Interior and Insular Affairs Committee voted to report with amendment (but did not actually report) H. R. 8960, to promote the development of coal on the public domain. p. D599
11. **ROADS.** Agreed to certain Senate amendments with amendments to H. R. 10503, to authorize 1966-1967 appropriations for roads, including forest development roads and trails. Agreed to an amendment to authorize the use of forest development road funds on the national grasslands which are administered by the Forest Service in order to develop the national grassland areas for recreational purposes. p. 16631
12. **TREASURY-POST OFFICE AND EXECUTIVE OFFICE APPROPRIATION BILL, 1965.** Both Houses agreed to the conference report on this bill, H. R. 10532. The bill will now be sent to the President. pp. 16631-9, 16614-16



**MILITARY BUSINESS**

*Committee on Armed Services:* Met in executive session and ordered reported favorably to the House the following bills:

H.R. 9718 (amended), to authorize the crediting of certain military service for purposes of Reserve retired pay;

H.R. 11064 (amended), a private bill;

S. 3001, to increase the rates of basic pay for members of the uniformed services;

H.J. Res. 113, to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Republic of Vietnam;

H.J. Res. 1048, to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand;

H.J. Res. 1072, to receive for instruction at the U.S. Military Academy at West Point a citizen and subject of the Empire of Iran; and

H.J. Res. 1115, to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Thailand.

**RETAIL CLERKS' UNION**

*Committee on Education and Labor:* General Subcommittee on Labor heard testimony from a public witness regarding Retail Clerks' Union food stores.

**AMERICAN NATIONALS**

*Committee on Foreign Affairs:* Subcommittee on Inter-American Affairs held a hearing on H.R. 10327, to amend the International Claims Settlement Act to provide for determination and payment of claims of American nationals. Testimony was given by Edward D. Re, Chairman, Foreign Claims Settlement Commission of the United States; and public witnesses.

**FINANCIAL MANAGEMENT SYSTEMS**

*Committee on Government Operations:* Subcommittee on Executive and Legislative Reorganization concluded hearings on financial management systems. Testimony was given by representatives of the Department of the Treasury and the Bureau of the Budget.

**COMMITTEE BUSINESS**

*Committee on Government Operations:* Subcommittee on Government Information and Foreign Operations met in executive session on pending legislation. No announcements were made.

**INTERIOR AFFAIRS**

*Committee on Interior and Insular Affairs:* Ordered reported favorably to the House the following bills:

H.R. 7107 (amended), to provide for the establishment of Fire Island National Seashore, N.Y.;

H.R. 6268 (amended), to provide adjustments in order to make uniform the estate acquired for the Vega

Dam and Reservoir, Collbran project, Colorado, by authorizing the Secretary of the Interior to reconvey mineral interests in certain lands;

H.R. 8960 (amended), to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain; and

H.R. 11162, to grant the consent of Congress to an amendment to the Breaks Interstate Park compact between the Commonwealths of Virginia and Kentucky.

**TAX ASSESSMENTS**

*Committee on Interstate and Foreign Commerce:* Subcommittee on Transportation and Aeronautics held a hearing on H.R. 10169, regarding tax assessments of common carrier property. Testimony was given by public witnesses.

**JUDICIAL MISCELLANY**

*Committee on the Judiciary:* Met in executive session and ordered reported favorably to the House the following bills:

H.R. 11546, to validate certain payments made to employees of the Forest Service, U.S. Department of Agriculture;

H.R. 11412, to amend provisions of law relating to the settlement of admiralty claims;

H.R. 7138, to appropriate \$17,084.80 for the settlement of claims of the St. Francis Levee District, Arkansas, for the damages resulting from the construction of a diversion canal for the St. Francis River;

H.R. 3800 (amended), to authorize the heads of Federal departments or agencies to waive recovery of erroneous payment of any civilian employee or member of the military forces where such recovery would be against equity and good conscience and where such debt cannot be remitted or waived under any other provision of law;

S. 2339, to confer jurisdiction on the Court of Claims to render judgment upon the claim of Sarpy County, Nebr.;

H.R. 11520, to amend subsection (d) of section 1346 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts;

S. 1991 (amended), to charter by act of Congress the National Tropical Botanical Garden;

H.J. Res. 393 (amended), to authorize the President to proclaim October 9 in each year as Leif Erikson Day;

H.R. 11327, to provide that the flag of the U.S. be flown for 24 hours of each day in Lexington, Mass.; and

H.R. 4989 (amended), to transfer the counties of Genesee and Shiawassee in State of Michigan from the Northern Division to the Southern Division of the Eastern Judicial District.

The committee also acted on several private claim bills, and rereferred H.R. 2828, to amend title 18 of the United States Code to prohibit the transportation or use



in interstate or foreign commerce, with unlawful or fraudulent intent, of counterfeit, fictitious, altered, lost, stolen, wrongfully appropriated, unauthorized, revoked, or canceled credit cards, to Subcommittee No. 4.

#### SHIPPING ACT OF 1916

*Committee on Merchant Marine and Fisheries:* Subcommittee on Merchant Marine continued a hearing on the activities of the Federal Maritime Commission and its administration of the Shipping Act of 1916. Testimony was given by Senator Douglas, chairman, Joint Economic Committee.

#### APPALACHIAN REGIONAL DEVELOPMENT

*Committee on Public Works:* Met in executive session and continued consideration of H.R. 11946 (a revised bill in place of H.R. 11065 and 11066), the Appalachian Regional Development Act of 1964. The committee will continue Wednesday, July 29, in executive session.

#### POVERTY BILL

*Committee on Rules:* Granted an open rule, with 6 hours of debate, on H.R. 11377, the poverty bill.

Testimony was given on the request for a rule by Representatives Hoeven, Goodell, Quic, and Short.

#### CONSTRUCTION OF FISHING VESSELS

*Committee on Rules:* Granted an open rule, with 2 hours of debate, on S. 1006, regarding the correction of inequities in the construction of fishing vessels.

Testimony was given on the request for a rule by Representatives Bonner, Bates, Keith, Goodling, and Tupper.

#### EXCISE TAX STRUCTURE

*Committee on Ways and Means:* Continued a hearing on the Federal excise tax structure, and heard testimony from public witnesses. Hearings will continue Wednesday, July 29.

### Joint Committee Meetings

#### PLUTO

*Joint Committee on Atomic Energy:* Subcommittee on Research, Development, and Radiation held executive hearings to receive testimony on the status of the PLUTO program (nuclear ram-jet program). Witnesses heard were Dr. Harold Brown, Director of Defense Research and Engineering; Alexander H. Flax, Assistant Secretary of the Air Force for Research and Development; Robert W. Morse, Assistant Secretary of the Navy for Research and Development; and Dr. Glenn T. Seaborg, Chairman, Atomic Energy Commission, all of whom were accompanied by their associates.

Hearings continue tomorrow.

#### ALASKA RECONSTRUCTION

*Conferees* met in executive session to resolve the differences between the Senate- and House-passed versions of S. 2881, providing assistance to Alaska for reconstruction of damage from the recent earthquake. Conferees reached agreement in principle and instructed the staff to draft language embodying these principles as agreed upon, which language is to be subject to the approval of the conferees at a subsequent meeting.

#### INTERNATIONAL MONETARY MATTERS

*Joint meeting:* Senate Committee on Foreign Relations met jointly, in executive session, with the Subcommittee on International Finance of the House Committee on Banking and Currency, to hear Secretary of the Treasury C. Douglas Dillon with regard to international monetary questions.

#### BILL SIGNED BY THE PRESIDENT

##### New Law

(For last listing of public laws, see DIGEST, p. D588, July 24, 1964)

H.R. 6237, authorizing grants for the reproduction of documentary source material significant to the history of the U.S. Signed July 28, 1964 (P.L. 88-383).

#### COMMITTEE MEETINGS FOR WEDNESDAY, JULY 29

(All meetings are open unless otherwise designated)

##### Senate

*Committee on Appropriations,* subcommittee, on H.R. 11369, military construction appropriations, 10 a.m., 1114 New Senate Office Building.

Subcommittee, executive, to mark up Bureau of Reclamation section of H.R. 11579, public works appropriations bill, 10 a.m., 1223 New Senate Office Building.

Subcommittee, executive, to mark up AEC and TVA sections of H.R. 11579, public works appropriations bill, 1 p.m., room S-128, Capitol.

Full committee, executive hearings on H.R. 11812, foreign aid appropriations, to hear Secretary of State Rusk, 2 p.m., room S-128, Capitol.

*Committee on Banking and Currency,* Subcommittee on Production and Stabilization, executive, on S. 750, proposed Truth in Lending Act, 10 a.m., 5302 New Senate Office Building.

*Committee on Commerce,* to resume hearings on S. 2028, removing certain regulatory authority of the FPC over nonprofit cooperatives engaged in transportation and sale of electric energy in interstate commerce, 10 a.m., 5110 New Senate Office Building.

*Committee on the District of Columbia,* Subcommittee on the Judiciary, executive, on H.R. 9419, proposed D.C. Securities Act, 9:30 a.m., 6228 New Senate Office Building.

*Committee on Finance,* to hold hearings on H.R. 5739, re taxation of life insurance companies, 10 a.m., 2221 New Senate Office Building.







July 29, 1964

HOUSE

14. PAY. The House Rules Committee reported a resolution to send the Federal pay bill to conference. pp. 16667, 16743
15. POVERTY. The Rules Committee reported a resolution for the consideration of and 6 hours of debate on H.R. 11377, the poverty bill. pp. 16667-8  
The Daily Digest states that the Rules Committee "Changed rule on H.R. 11377, the poverty bill, making it in order to take S. 2642 from the Speaker's table, move to strike out all after the enacting clause and insert the House-passed language." p. D609
16. RECREATION. The Rules Committee reported a resolution for the consideration of H.R. 1803, to provide for the establishment of the Ozark National Rivers in Missouri. pp. 16719-20
17. BEEF IMPORTS. Reps. Nelsen and Hoeven urged passage of the beef import limitation bill. pp. 16721, 16723  
Received a petition from cattle breeders requesting that action be taken to reduce beef imports. p. 16744
18. OPINION POLL. Rep. Weaver inserted the results of a questionnaire including several articles of interest to this Department. p. 16722
19. PERSONNEL. Rep. Nelsen inserted an article by Jerry Kluttz, "Job Pressures Charged in Sale of Gala Tickets," citing particularly such activity in REA. pp. 16722-3
20. DISASTER RELIEF; FEED. A subcommittee of the Agriculture Committee voted to report to the full committee with amendment H.R. 9181, to establish penalties for misuse of feed made available for relieving distress or preservation and maintenance of foundation herds. p. D607
21. ACCOUNTING. The Government Operations Committee voted to report (but did not actually report) with amendment H.R. 10446, to permit the use of statistical sampling procedures in the examination of vouchers. p. D608
22. STOCKPILE. A subcommittee of the Armed Services Committee voted to report to the full committee H.R. 12091, to authorize the disposal, without regard to the 6-month waiting period, of approximately 9,500,000 pounds of sisal from the national stockpile. p. D607
23. TRAVEL. Concurred in Senate amendments to H.J. Res. 658, to authorize and request the President to proclaim 1964 as "See America Year." This bill will now be sent to the President. pp. 16665-6
24. POTATOES. The "Daily Digest" states that the Rules Committee granted an open rule, with 1 hour of debate, on H.R. 904, to prohibit futures trading in Irish potatoes, and "subsequently, motion for reconsideration made and carried". p. D609
25. ALASKA. A subcommittee of the Judiciary Committee voted to report to the full committee with amendment S. 49, to provide for the establishment of the Alaska Centennial Commission. p. D608



26. FOREIGN AID. Rep. Halpern urged passage of his bill, H.R. 12065, for the establishment of a great White Fleet to tender assistance to underdeveloped areas of the world. pp. 16740-1
27. ECONOMY; TAXES. Rep. Curtis inserted a speech, "Avoiding Economy's Over-Heating to Maximize Tax-Cut Benefits," urging caution in "unrestrained economic optimism." pp. 16724-6

ITEMS IN APPENDIX

28. OPINION POLL. Rep. Brotzman inserted results of an opinion poll which includes items of interest to this Department. pp. A3964-5
29. POVERTY. Sen. Williams, Del., inserted an article criticizing the proposed poverty bill as being "a phony." p. A3966  
Rep. Van Deerlin inserted an address by the president of the U.S. Chamber of Commerce supporting the poverty bill. pp. A3969-71  
Extension of remarks of Rep. Quie inserting a letter and stating that it has "raised some very provocative and stimulating questions on the administration's antipoverty program." p. A3987
30. MEAT IMPORTS. Extension of remarks of Rep. Berry commending the Senate for passing the meat-import restriction bill, but objecting to their elimination of the provision of the bill which provided for removal of tariffs on wild birds and animals. pp. A3976-7
31. AREA REDEVELOPMENT. Extension of remarks of Rep. White criticizing the Reader's Digest for their "viciously slanted" story about ARA, and inserting a letter refuting their charges. pp. A3992-3
32. FARM LABOR. Extension of remarks of Rep. Talcott inserting an article which describes a possible plan for the replacement of the bracero program. pp. A3995-6
33. BUDGET. Extension of remarks of Rep. Curtis commending and inserting an article, "Which Resources for What Goals?--Another Look at the Budget", and stating that it "suggests that an improved allocation of Federal funds could be achieved if expenditures were grouped in general categories..." pp. A3996-8

BILLS INTRODUCED

34. PROPERTY. S. 3037, by Sen. Muskie (7-28), to amend the Federal Property and Administrative Services Act of 1949 to provide for the acquisition, use, and disposition of land within urban areas by Federal agencies to the greatest practicable extent in conformity with land utilization programs of affected local government and planning agencies; to Government Operations Committee. Remarks of author p. 16508-9
35. ELECTRIFICATION. S. 3038, by Sen. Holland (for himself and Sen. Smathers) (7-28), to amend the Federal Power Act, as amended, in respect to the jurisdiction of the Federal Power Commission; to Commerce Committee. Remarks of author p. 16509.

## CONSIDERATION OF H.R. 11377

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JULY 29, 1964.—Referred to the House Calendar and ordered to be printed

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Mr. YOUNG, from the Committee on Rules, submitted the following

### R E P O R T

[To accompany H. Res. 806]

The Committee on Rules, having had under consideration House Resolution 806, reports the same to the House with the recommendation that the resolution do pass.





## CONSIDERATION OF THE 1951

of 1951—Referred to the House Calendar and reported to the Senate

Mr. Young, from the Committee on the

## REPORT

and printed with the Committee

to the Senate

## House Calendar No. 269

88TH CONGRESS  
2D SESSION

# H. RES. 806

[Report No. 1631]

---

### IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1964

Mr. YOUNG, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

---

## RESOLUTION

1      *Resolved*, That upon the adoption of this resolution it  
2      shall be in order to move that the House resolve itself into  
3      the Committee of the Whole House on the State of the Union  
4      for the consideration of the bill (H.R. 11377) to mobilize  
5      the human and financial resources of the Nation to combat  
6      poverty in the United States. After general debate, which  
7      shall be confined to the bill and continue not to exceed six  
8      hours, to be equally divided and controlled by the chairman  
9      and the ranking minority member of the Committee on  
10     Education and Labor, the bill shall be read for amendment  
11     under the five-minute rule. At the conclusion of the con-  
12     sideration of the bill for amendment, the Committee shall rise



1 and report the bill to the House with such amendments as  
2 may have been adopted and the previous question shall be  
3 considered as ordered on the bill and amendments thereto to  
4 final passage without intervening motion except one motion  
5 to recommit with or without instructions. After the passage  
6 of the bill H.R. 11377, it shall be in order in the House to  
7 take from the Speaker's table the bill S. 2642 and to move to  
8 strike out all after the enacting clause of said Senate bill  
9 and to insert in lieu thereof the provisions contained in H.R.  
10 11377 as passed by the House.





House Calendar No. 269

88TH CONGRESS  
2D SESSION

**H. RES. 806**

[Report No. 1631]

---

# RESOLUTION

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Providing for consideration of H.R. 11377,  
a bill to mobilize the human and financial  
resources of the Nation to combat poverty in  
the United States.

---

By Mr. YOUNG

---

JULY 29, 1964

Referred to the House Calendar and ordered to be  
printed

History will be kind to much of what has happened here. Needless to say, more has happened here to give the citizens of this country, yes even of the world, a more abundant and peaceful life.

As one who has a deep and abiding interest in history and who reflects on it often, I recommend to the senators in our presence that their study of history never cease. There are important lessons to be learned from history. Proper study of history can help us avoid the mistakes of the past.

So I say to you of Girls Nation, watch carefully, study diligently, and absorb well what you witness here today. Maintain your interest and perhaps someday you will take a seat down here on this floor as a Member of the U.S. House of Representatives.

#### DONNA L. TUSSING, PRESIDENT OF GIRLS NATION

(Mr. McINTIRE asked and was given permission to address the House for 1 minute.)

Mr. McINTIRE. Mr. Speaker, I feel highly privileged and proud to advise this body that Donna L. Tussing of Brewer, Maine, Second Congressional District of Maine, yesterday was elected president of the Girls Nation. Girls Nation is, as we know, a culmination of Girls State, and is the wonderful youth citizenship training program conducted annually by the American Legion auxiliary to give high school juniors practical experience in the processes of government.

Donna was born in Island Falls, Maine, the daughter of Mr. and Mrs. Eugene Tussing, now of Eddington, Maine. She is 17 years of age and is in the class of 1965 at the Brewer High School. She is an active participant in community activities, and in her school program she takes a leading part in debating and basketball. Donna is also a member of the national honor society.

She is one of four children, having two brothers, James, 13, and Philip, 9 years of age. She also has a 16-year-old sister, Susan.

Donna's father is a long-time employee of the Soil Conservation Service in Maine, and presently he is employed in conservation work in Penobscot County.

Donna Tussing has every reason to be eminently proud, for this is the first time that the presidential office of Girls Nation has come to a representative from Maine. All Maine is indeed proud and applauds Donna's attainment.

The Maine congressional delegation extends hearty congratulations to Donna on her very fine achievement—it is indeed a high honor to serve as the head of an organization with those high ideals that are the standard of Girls Nation.

#### CALL OF THE HOUSE

Mr. MARTIN of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from California makes the point of order that a quorum is not present. Evidently, a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 191]

|                |           |               |
|----------------|-----------|---------------|
| Alger          | Hawkins   | Passman       |
| Avery          | Healey    | Pepper        |
| Baker          | Hébert    | Pilcher       |
| Baring         | Horton    | Powell        |
| Bass           | Jarman    | Sheppard      |
| Bennett, Mich. | Kee       | Slack         |
| Buckley        | Kilburn   | Steed         |
| Celler         | Kilgore   | Teague, Tex.  |
| Clausen,       | Lankford  | Thompson, La. |
| Don H.         | Lesinski  | Toll          |
| Davis, Tenn.   | Lloyd     | Van Pelt      |
| Duncan         | Long, Md. | Wallhauser    |
| Edmondson      | Morris    | Wickersham    |
| Evins          | Norblad   | Williams      |
| Harris         | Ostertag  | Willis        |

The SPEAKER pro tempore (Mr. SISK). On this rollcall 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### PRAYER AND BIBLE READING IN THE PUBLIC SCHOOLS

(Mr. BECKER asked and was given permission to address the House for 1 minute.)

Mr. BECKER. Mr. Speaker, it is quite evident now to everyone that the chairman of the Committee on the Judiciary does not intend and will not bring in a resolution to amend the Constitution to permit prayer and Bible reading in the public schools. I have this word from members of the Committee on the Judiciary. Therefore, Discharge Petition No. 3 is at the desk. We need less than 50 signatures now in order to bring this to the 218 required.

There were Members on the floor here earlier complimenting the American Legion for the operation of Girls Nation and Boys Nation. While they are complimenting the American Legion these Members should sign the petition, because the American Legion has at two national conventions endorsed prayer and Bible reading in the public schools, and every Member is aware of this.

Our Lord states, "Suffer ye little children to come unto Me," but the Supreme Court says "not in public schools." But we have the opportunity here at this session to correct this. I think this, being the greatest issue in the country, it should be done now.

#### THE LATE DR. THOMAS HENRY CARROLL II

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to include an editorial from the Washington Evening Star.)

Mr. McCORMACK. Mr. Speaker it is with a sense of personal sadness that I call to the attention of the House the untimely death of Dr. Thomas Henry Carroll II, the 13th president of the George Washington University of Washington, D.C. The death of this great educator brings to an end the astounding career of a man deeply devoted to educational ideals and to the aims of public service. His interest in joining together a knowl-

edge of public affairs, along with studies of business and government, has brought new and vital ideas to the George Washington University. President Carroll, by his able administrative leadership and his high academic standards, leaves a legacy that long should challenge the George Washington University which he served so brilliantly and so willingly.

The entire educational community mourns the loss of Dr. Carroll. To his beloved wife and family I extend the deepest sympathy of both Mrs. McCormack and myself.

#### LOSS OF A LEADER

George Washington University, the local community and in a broad sense the cause of higher education share a grievous loss in the death of Thomas H. Carroll. Its untimeliness adds a poignant touch of tragedy.

He was still a young man, at the outset of a new career. His ceaseless energy and a singularly infectious enthusiasm were only beginning to unfold to others and to enlist their determined support in realizing the visions he saw for the university's future.

In the brief 3 years since his inauguration as George Washington University's 13th president he had completed the groundwork and the outline of foundations to support the sort of structure his own dedication to purpose made evident to others as a practical, necessary, and attainable objective. He had won the confidence of a faculty and student body which found in him a champion of their interests in his insistence on academic excellence and of a board of trustees to which his personality and aspirations were attracting added national representation. He had won ready acceptance by the community as one who seemed destined for constructive leadership.

He leaves for others the pursuit and achievement of high aims that will not be abandoned but which seemed more readily accessible under his inspirational, dynamic guidance.

#### ADJUSTMENT OF RATES OR BASIC COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES IN THE FEDERAL GOVERNMENT

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 803, Rept. No. 1630) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution the bill (H.R. 11049) to adjust the rates of the basic compensation of certain officers and employees in the Federal Government, and for other purposes, with the Senate amendment thereto, be, and the same hereby is taken from the Speaker's table, to the end that the Senate amendment be, and the same is hereby disagreed to, and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby agreed to.

#### THE POVERTY BILL

Mr. YOUNG, from the Committee on Rules, reported the following privileged resolution (H. Res. 806, Rept. No. 1631) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in



the United States. After general debate, which shall be confined to the bill and continue not to exceed six hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of the bill H.R. 11377, it shall be in order in the House to take from the Speaker's table the bill S. 2642 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11377 as passed by the House.

Mr. BROWN of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BROWN of Ohio. Does the rule carry a motion to recommit with instructions?

The SPEAKER. The answer of the Chair is that if the proposed rule is adopted such a motion will be in order.

Mr. BROWN of Ohio. I thank the Chair.

#### CORRECTION OF ROLL CALL

Mr. ROGERS of Colorado. Mr. Speaker, on roll call No. 189, page 16630 of the RECORD, I am recorded as being absent. I was present, and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### AUTHORIZING TRANSPORTATION OF HOUSE TRAILERS AND MOBILE DWELLINGS OF MEMBERS OF UNIFORMED SERVICES

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8954) to amend section 409 of title 37, United States Code, to authorize the transportation of house trailers and mobile dwellings of members of the uniformed services within the continental United States, within Alaska, or between the continental United States and Alaska, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That section 409 of title 37, United States Code, is amended to read as follows:

"§ 409. Travel and transportation allowances: trailers

"Under regulations prescribed by the Secretaries concerned and in place of the transportation of baggage and household effects or payment of a dislocation allowance, a member, or in the case of his death his dependent, who would otherwise be entitled to

transportation of baggage, and household goods under section 406 of this title, may transport a house trailer or mobile dwelling within the continental United States, within Alaska, or between the continental United States and Alaska, for use as a residence by one of the following means—

"(1) transport the trailer or dwelling and receive a monetary allowance in place of transportation at a rate to be prescribed by the Secretaries concerned, but not more than 20 cents a mile;

"(2) deliver the trailer or dwelling to an agent of the United States for transportation by the United States or by commercial means; or

"(3) transport the trailer or dwelling by commercial means and be reimbursed by the United States subject to such rates as may be prescribed by the Secretaries concerned.

However, the cost of transportation under clause (2) or the reimbursement under clause (3) may not be more than the lesser of (A) the current average cost for the commercial transportation of a house trailer or mobile dwelling; (B) 51 cents a mile; or (C) the cost of transporting the baggage and household effects of the member or his dependent plus the dislocation allowance authorized in section 407 of this title. Any payment authorized by this section may be made in advance of the transportation concerned. For the purposes of this section, 'continental United States' means the forty-eight contiguous States and the District of Columbia."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 8954, with the Senate amendment thereto, and agree to the Senate amendment.

The amendment by the Senate provides a new ceiling on the maximum amount which may be paid for the commercial transportation of mobile homes owned by military personnel on permanent change of station.

The Senate ceiling is established at 51 cents per mile as contrasted to the House ceiling which provided that reimbursement was to be actual cost provided that such cost did not exceed what it would otherwise cost to move the household effects of the member, plus the dislocation allowance to which he would be entitled.

Under existing law, the maximum amount payable on a trailer move is 36 cents per mile.

The bill as passed by the House would result in increased annual transportation costs of approximately \$1,246,000.

The bill as passed by the Senate, which provides a lower ceiling on these costs, would result in increased annual transportation costs of approximately \$1,075,000, a reduction of approximately \$179,000 from the House bill.

Although the bill as amended by the Senate is not as generous as the House-passed bill, I have been authorized by the Committee on Armed Services to request House approval of the Senate amendment on H.R. 8954 since it does provide an assured and substantial increase in the trailer allowances for military mobile home owners from the present maximum of 36 cents to a new maximum of 51 cents a mile.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### SOCIAL SECURITY AMENDMENTS OF 1964

Mr. O'NEILL. Mr. Speaker, under the direction of the Committee on Rules, I call up the resolution (H. Res. 802), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11865) to increase benefits under the Federal Old-Age Survivors, and Disability Insurance System, to provide child's insurance benefits beyond age 18 while in school, to provide widow's benefits at age 60 on a reduced basis, to provide benefits for certain individuals not otherwise eligible at age 72, to improve the actuarial status of the Trust Funds, to extend coverage, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed five hours, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may require, and at the conclusion of my remarks, I yield 30 minutes to the gentleman from Ohio [Mr. Brown].

(Mr. O'NEILL asked and was given permission to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, House Resolution 802 provides for consideration of H.R. 11865, a bill to increase benefits under the Federal old-age, survivors, and disability insurance system, to provide child's insurance benefits beyond age 18 while in school, to provide widow's benefits at age 60 on a reduced basis, to provide benefits for certain individuals not otherwise eligible at age 72, to improve the actuarial status of the trust funds, to extend coverage, and for other purposes. The resolution provides a closed rule, waiving points of order, with 5 hours of general debate.

The purpose of H.R. 11865 is to improve the benefit and coverage provisions and the financing structure of the Federal old-age, survivors, and disability insurance system.

The last across-the-board adjustment in social security insurance benefits, and the last adjustment in the amount of annual earnings that is taxed and credit-



**POTATO BILL**

*Committee on Rules:* Granted an open rule, with 1 hour of debate, on H.R. 904, the potato bill; subsequently, motion for reconsideration made and carried.

**POVERTY BILL**

*Committee on Rules:* Changed rule on H.R. 11377, the poverty bill, making it in order to take S. 2642 from the Speaker's table, move to strike out all after the enacting clause and insert the House-passed language.

**FEDERAL EXCISE TAX STRUCTURE**

*Committee on Ways and Means:* Continued a hearing on the Federal excise tax structure, and heard testimony from public witnesses. Hearings continue Thursday, July 30.

**GOVERNMENT PROCUREMENT**

*Select Committee on Small Business:* Subcommittee No. 2 held a hearing on Government procurement practices, and heard testimony from representatives of strategic industries.

**Joint Committee Meetings****PLUTO**

*Joint Committee on Atomic Energy:* Subcommittee on Research, Development, and Radiation concluded its hearings on the status of the PLUTO program (nuclear ram-jet program), after receiving testimony from James T. Ramey, member, Atomic Energy Commission; Alexander H. Flax, Assistant Secretary of the Air Force for Research and Development; Robert W. Morse, Assistant Secretary of the Navy for Research and Development; Theodore C. Merkle, Lawrence Radiation Laboratory, Livermore, Calif.; and Dr. J. Russ Clark, Ling-Temco-Vought Corp.

Subcommittee adjourned subject to call.

**BILLS SIGNED BY THE PRESIDENT****New Laws**

(For last listing of public laws, see DIGEST, p. D600, July 28, 1964)

H.R. 393, to retrocede to Massachusetts jurisdiction over certain land in the vicinity of Fort Devens. Signed July 28, 1964 (P.L. 88-384).

H.R. 10736, authorizing relinquishment to Virginia of all or a portion of the jurisdiction over lands comprising the U.S. Naval Hospital, Portsmouth. Signed July 28, 1964 (P.L. 88-385).

H.J. Res. 888, relating to the granting of certain permits to Imperial Shrine Convention to be held in Washington, D.C., in July 1965. Signed July 28, 1964 (P.L. 88-386).

H.R. 7499, authorizing conveyance of certain land to the city of Oroville, Calif. Signed July 28, 1964 (P.L. 88-387).

H.R. 7248, allowing certain property conveyed to Fort Walton Beach, Fla., to be used for educational as well as recreational purposes. Signed July 28, 1964 (P.L. 88-388).

H.R. 6299, authorizing sale of crude oil from Naval Petroleum Reserve at Umiat Field, Alaska, for fuel in the local area. Signed July 28, 1964 (P.L. 88-389).

**COMMITTEE MEETINGS FOR THURSDAY, JULY 30**

(All meetings are open unless otherwise designated)

**Senate**

*Committee on Appropriations,* to continue its executive hearings on H.R. 11812, foreign aid appropriations, 10 a.m., 1223 New Senate Office Building.

Subcommittee, on H.R. 11369, military construction appropriations, 10 a.m., 1114 New Senate Office Building.

Full committee, executive, to mark up H.R. 11296, independent offices appropriations, 2 p.m., room S-128, Capitol.

*Committee on Armed Services,* open followed by executive, on the nomination of Franklin Dryden, to be Deputy Director of the OEP, and on other pending nominations and bills, 10:30 a.m., 212 Old Senate Office Building.

*Committee on Government Operations,* Permanent Subcommittee on Investigations, on illicit international traffic in narcotics, 10:30 a.m., 3302 New Senate Office Building.

*Committee on Interior and Insular Affairs,* executive, on committee business, 10 a.m., 3112 New Senate Office Building.

Subcommittee on Indian Affairs, on calendar of bills, 2 p.m., 3110 New Senate Office Building.

*Committee on the Judiciary,* Juvenile Delinquency Subcommittee, to resume hearings on the subject of crime and violence in television programming and its effect on young people, 9 a.m., 318 Old Senate Office Building.

Immigration and Naturalization Subcommittee, to hear Secretary of State Rusk in connection with pending immigration legislation, 10:30 a.m., 2228 New Senate Office Building.

*Committee on Labor and Public Welfare,* Subcommittee on Education, on S. 2528, Federal assistance for education of children of needy families, and S. 2725, Federal assistance for school construction in certain major disaster areas, 10 a.m., 4232 New Senate Office Building.

**House**

*Committee on Agriculture,* Subcommittee on Wheat, on H.R. 12018, to increase the industrial utilization of wheat products, 10 a.m., 1310 Longworth House Office Building.

Subcommittee on Foreign Agricultural Operations, executive, on Public Law 480 (83d Cong.), to increase the consumption of U.S. commodities in foreign countries, 10:30 a.m., 1310 Longworth House Office Building.

*Committee on Banking and Currency,* Subcommittee on Housing, executive, to continue on pending legislation, 10 a.m., 1301 Longworth House Office Building.

*Committee on District of Columbia,* Subcommittee No. 3, executive, on minimum wage amendments, 10 a.m., 445-A Cannon House Office Building.

*Committee on Education and Labor,* Select Subcommittee on Labor, on Retail Clerks Union food stores, 10 a.m., 429 Cannon House Office Building.



General Subcommittee on Labor, on public employment practices, 10 a.m., 362 Cannon House Office Building.

*Committee on Foreign Affairs*, Subcommittee on State Department Organization and Foreign Operations, executive, on H.R. 11707, U.S. participation in the Canadian Industrial Exhibition, 10:30 a.m., H-322 U.S. Capitol Building.

*Committee on the Judiciary*, Subcommittee No. 5, to continue hearings on State reapportionment, 10 a.m., 346 Cannon House Office Building.

Subcommittee No. 2, executive, on pending legislation, 10 a.m., 327-B Cannon House Office Building.

*Committee on Merchant Marine and Fisheries*, Subcommittee on Merchant Marine, to continue a hearing to review the activities of the Federal Maritime Commission and its ad-

ministration of the Shipping Act of 1916, 10 a.m., 219 Cannon House Office Building.

*Committee on Public Works*, executive, to continue consideration of H.R. 11946 (a revised bill in place of H.R. 11065 and 11066), the Appalachian Regional Development Act of 1964, 10 a.m., 1302 Longworth House Office Building.

*Committee on Ways and Means*, to continue a hearing on the Federal excise tax structure, 10 a.m., committee room, Longworth House Office Building.

#### Joint Committee

*Joint Committee on Atomic Energy*, Subcommittee on Agreements for Cooperation, executive, to review programs on agreements for cooperation on the exchange of atomic information with NATO, 10 a.m., room AE-1, Capitol.



## Congressional Record

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# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

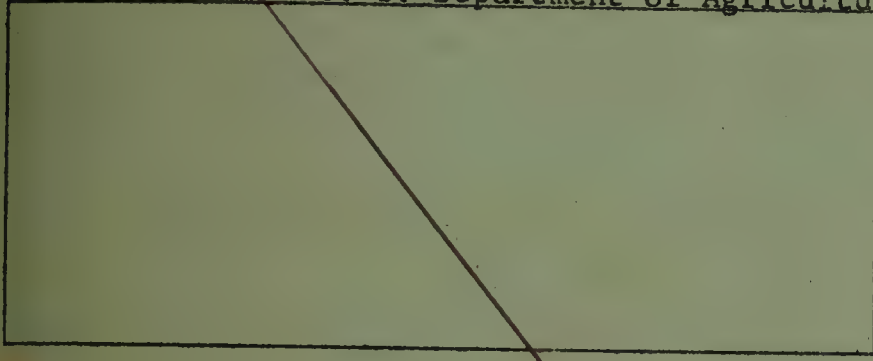
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Issued Aug. 6, 1964  
For actions of Aug. 5, 1964  
88th-2nd; No. 151



### CONTENTS

|                            |                           |                        |
|----------------------------|---------------------------|------------------------|
| Administrative law.....44  | Fisheries.....38          | Property.....31        |
| Appalachia.....41          | Flood control.....45      | Public debt.....6      |
| Appropriations.....1,3     | Foreign aid.....8         | Public works.....3     |
| ASC committeemen.....18    | Forest products.....22    | Reclamation.....19     |
| Automation.....13,34,43    | Forestry.....33           | Recreation.....2,30    |
| Budget.....5               | Housing.....14            | Research.....40        |
| Civil rights.....35        | Lands.....18,39           | Roads.....36           |
| Containers.....15          | Life insurance.....4      | Seed screenings.....18 |
| Crop insurance.....18      | Manpower.....34           | Soil resources.....25  |
| Dairy.....20               | Meat imports.....12,29,37 | Tariff.....17,27       |
| Electrification.....7,16   | National parks.....46     | Taxation.....6         |
| Employment.....24          | Natural resources.....33  | Water.....10           |
| Farm labor.....23          | Pay.....21                | Watersheds.....20      |
| Federal aid.....31         | Personnel.....4,21,28,32  |                        |
| Federal-State relations..9 | Poverty.....11,26         |                        |

HIGHLIGHTS: House Rules Committee reported resolution to send meat-import restriction bill to conference and Rep. Roosevelt commended this action. House began debate on poverty bill. House committee reported housing bill. Senate committee voted to report land and water conservation fund bill. Senate committee reported public works appropriation bill. Senate passed independent offices appropriation bill.

### SENATE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1965. Passed as reported this bill, H. R. 11296. Conferees were appointed. pp. 17509-15, 17528-35, 17544-7, 17554-77
2. RECREATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 3846, to establish a Land and Water Conservation Fund to assist in the improvement of outdoor recreation facilities. p. D642



Passed as reported S. 2048, to provide for the establishment of the Bighorn Canyon National Recreation area. pp. 17577-8

Sen. Metcalf inserted a speech urging that "all of us must shift our outdoor recreation emphasis from the national panorama to specific projects which will improve our local communities." pp. 17490-1

3. PUBLIC WORKS APPROPRIATION BILL, 1965. The Appropriations Committee reported with amendments this bill, H. R. 11579 (S. Rept. 1326). p. 17482
4. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee approved for full committee consideration S. 1974, to amend the Federal Employees' Group Life Insurance Act with regard to designation of beneficiary. p. D643
5. BUDGET. Sen. Williams, Del., criticized the rising number of Federal employees and called "the Kennedy-Johnson administration...the most extravagant regime that has ever occupied the White House." p. 17485
6. NATIONAL DEBT; TAXATION. Passed as reported S. 2281, to clarify the components of, and to assist in the management of, the national debt and the tax structure. pp. 17585-8
7. ELECTRIFICATION. Sen. Metcalf called for greater Federal participation in the interregional transmission system and inserted an article by Sen. Neuberger in a similar vein, "Surrender in the West." pp. 17489-90  
Sen. Morse inserted a corrected version of his speech delivered Aug. 4, 1964, on electric power in the Pacific Northwest. pp. 17537-44
8. FOREIGN AID. Sen. Long, Mo., called the foreign aid program "an effective weapon in today's struggle between freedom and communism" and outlined the contribution of various Mo. universities to the AID program. pp. 17506-7
9. FEDERAL-STATE RELATIONS. Sen. Hill inserted a speech by Sen. Muskie, "Intergovernmental Relations" calling for the three levels of government to work together. pp. 17589-91
10. WATER. Sen. Morse spoke against Westlands water distribution system contract and inserted statements which "establish beyond a doubt its illegality under existing reclamation laws." pp. 17493-503  
HOUSE
11. POVERTY. Began debate on H. R. 11377, the poverty bill. pp. 17610-52
12. MEAT IMPORTS. The Rules Committee reported a resolution to send to conference H. R. 1839, the meat-import restriction bill (p. 17668), and Rep. Roosevelt commended this action (pp. 17595-6).  
Rep. Nelsen inserted his testimony before the Rules Committee in favor of a resolution for House concurrence in the beef-import amendments adopted by the Senate to H. R. 1839. pp. 17656-7
13. AUTOMATION. Concurred in Senate amendments to H. R. 11611, to establish a National Commission on Technology, Automation, and Economic Progress. This bill will now be sent to the President. p. 17610
14. HOUSING. The Banking and Currency Committee reported without amendment H. R. 12175, to extend and amend laws relating to housing, urban renewal, and community facilities (H. Rept. 1703). p. 17668



lic interest, the Commission shall by order cancel, reduce, or require the remission of such penalty.

(3) In any proceeding to review the denial of membership in a registered securities association or the barring of any person from being associated with a member, if the Commission, after appropriate notice and hearing, and upon consideration of the record before the association and such other evidence as it may deem relevant, shall determine that the specific grounds on which such denial or bar is based exist in fact and are valid under this section, the Commission shall by order dismiss the proceeding; otherwise, the Commission shall by order set aside the action of the association and require it to admit the applicant broker or dealer to membership therein, or to permit such person to be associated with a member."

(e) Section 15A(k)(2) of said Act is amended to read as follows:

"(2) The Commission may in writing request any registered securities association to adopt any specified alteration of or supplement to its rules with respect to any of the matters hereinafter enumerated. If such association fails to adopt such alteration or supplement within a reasonable time the Commission is authorized by order to alter or supplement the rules of such association in the manner theretofore requested, or with such modifications of such alteration or supplement as it deems necessary if, after appropriate notice and opportunity for hearing, it appears to the Commission that such alteration or supplement is necessary or appropriate in the public interest or for the protection of investors or to effectuate the purposes of this section, with respect to: (A) The basis for, and procedure in connection with, the denial of membership or the barring from being associated with a member or the disciplining of members or persons associated with members, or the qualifications required for members or natural persons associated with members or any class thereof; (B) the method for adoption of any change in or addition to the rules of the association; (C) the method of choosing officers and directors; and (D) affiliation between registered securities associations."

(f) Section 15A(l)(2) of said Act is amended to read as follows:

"(2) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding twelve months or to expel from a registered securities association any member thereof, or to suspend for a period not exceeding twelve months or to bar any person from being associated with a member thereof, if the Commission finds that such member or person (A) has violated any provision of this title or any rule or regulation thereunder, or has effected any transaction for any other person who, he had reason to believe, was violating with respect to such transaction any provision of this title or any rule or regulation thereunder, or (B) has willfully violated any provision of the Securities Act of 1933, as amended, or of any rule or regulation thereunder, or has effected any transaction for any other person who, he had reason to believe, was willfully violating with respect to such transaction any provision of such Act or rule or regulation."

Sec. 8. (a) Section 16(a) of the Securities Exchange Act of 1934 is amended to read as follows:

"(a) Every person who is directly or indirectly the beneficial owner of more than 10 per centum of any class of any equity security (other than an exempted security) which is registered pursuant to section 12 of this title, or who is a director or an officer of the issuer of such security, shall file, at

the time of the registration of such security on a national securities exchange or by the effective date of a registration statement filed pursuant to subsection (g) of section 12 of this title, or within ten days after he becomes such beneficial owner, director, or officer, a statement with the Commission (and, if such security is registered on a national securities exchange, also with the exchange) of the amount of all equity securities of such issuer of which he is the beneficial owner, and within ten days after the close of each calendar month thereafter, if there has been a change in such ownership during such month, shall file with the Commission (and if such security is registered on a national securities exchange, shall also file with the exchange) a statement indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month."

(b) Section 16 of said Act is further amended by redesignating subsection (d) as subsection (e) and adding a new subsection (d) as follows:

"(d) The provisions of subsection (b) of this section shall not apply to any purchase and sale, or sale and purchase, and the provisions of subsection (c) of this section shall not apply to any sale, of an equity security not then or theretofore held by him in an investment account, by a dealer in the ordinary course of his business and incident to the establishment or maintenance by him of a primary or secondary market (otherwise than on a national securities exchange or an exchange exempted from registration under section 5 of this title) for such security. The Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest, define and prescribe terms and conditions with respect to securities held in an investment account and transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market."

Sec. 9. Section 20(c) of the Securities Exchange Act of 1934 is amended to read as follows:

"(c) It shall be unlawful for any director or officer of, or any owner of any securities issued by any issuer required to file any document, report, or information under this title or any rule or regulation thereunder without just cause to hinder, delay, or obstruct the making or filing of any such document, report, or information."

Sec. 10. Section 32 of the Securities Exchange Act of 1934 is amended by striking out subsection (b) and by redesignating subsection (c) as subsection (b).

Sec. 11. Section 4 of the Securities Act of 1933 is amended to read as follows:

"Sec. 4. The provisions of section 5 shall not apply to any of the following transactions:

"(1) Transactions by any person other than an issuer, underwriter, or dealer; transactions by an issuer not involving any public offering; or transactions by a dealer (including an underwriter no longer acting as an underwriter in respect of the security involved in such transaction), except (a) transactions taking place prior to the expiration of forty days after the first date upon which the security was bona fide offered to the public by the issuer or by or through an underwriter, (b) transactions in a security as to which a registration statement has been filed taking place prior to the expiration of forty days after the effective date of such registration statement or prior to the expiration of forty days after the first date upon which the security was bona fide offered to the public by the issuer or by or through an underwriter after such effective date, whichever is later (excluding in the computation of such forty days any time during which a

stop order issued under section 8 is in effect as to the security), or such shorter period as the Commission may specify by rules and regulations or order, and (c) transactions as to securities constituting the whole or a part of an unsold allotment to or subscription by such dealer as a participant in the distribution of such securities by the issuer or by or through an underwriter. With respect to transactions referred to in clause (b), if securities of the issuer have not previously been sold pursuant to an earlier effective registration statement the applicable period, instead of forty days, shall be ninety days, or such shorter period as the Commission may specify by rules and regulations or order.

"(2) Brokers' transactions, executed upon customers' orders on any exchange or in the over-the-counter market, but not the solicitation of such orders."

Sec. 12. The amendments made by this Act shall take effect as follows:

(1) The effective date of section 12(g)(1) of the Securities Exchange Act of 1934, as added by section 3(c) of this Act, shall be July 1, 1964.

(2) The effective date of the amendments to sections 12(b) and 15(a) of the Securities Exchange Act of 1934, contained in sections 3(a) and 6(a), respectively, of this Act, shall be July 1, 1964.

(3) All other amendments contained in this Act shall take effect on the date of its enactment.

Passed the Senate July 30, 1963.

Attest:

FELTON M. JOHNSTON,  
Secretary.

Mr. HARRIS. Mr. Speaker, I move to strike out all after the enacting clause of the bill S. 1642 and insert in lieu thereof the provisions contained in the bill H.R. 6793 as passed.

The motion was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6793) was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks in the appropriate place of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

#### HOUSE SELECT COMMITTEE ON GOVERNMENT RESEARCH

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 810 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That the fourth paragraph of House Resolution 504, Eighty-eighth Congress, is amended by striking out "prior to December 1, 1964" and inserting in lieu thereof "prior to January 3, 1965".

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Iowa.



Mr. GROSS. With what does this resolution deal, if I may ask the gentleman?

Mr. ELLIOTT. This resolution provides that the Select Committee on Government Research have until January 3, 1965, to file its reports instead of next December 1, as fixed in the original resolution.

I would like to say to the gentleman from Iowa that the passage of this resolution will not require any additional moneys for the operations of the committee.

Mr. GROSS. If the gentleman will yield further, I am delighted to hear that the resolution will require no further funds.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

### CALL OF THE HOUSE

Mr. ROOSEVELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ROOSEVELT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 204]

|                |               |               |
|----------------|---------------|---------------|
| Alger          | Everett       | Norblad       |
| Avery          | Evens         | Passman       |
| Baring         | Finnegan      | Pillion       |
| Beckworth      | Green, Oreg.  | Randall       |
| Bennett, Mich. | Harvey, Mich. | Rhodes, Ariz. |
| Bolling        | Healey        | Riehlman      |
| Bolton         | Hébert        | Rumsfeld      |
| Frances P.     | Hoffman       | Senner        |
| Brock          | Jones, Mo.    | Sheppard      |
| Buckley        | Kee           | Shipley       |
| Cederberg      | Lankford      | Shriver       |
| Davis, Tenn.   | Lennon        | Thompson, La. |
| Diggs          | Lesinski      | Toll          |
| Dingell        | Lloyd         | Tollefson     |
| Edwards        | Miller, N.Y.  | Wallhauser    |

The SPEAKER. On this rollcall, 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION, AND ECONOMIC PROGRESS

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11611) to establish a National Commission on Technology, Automation, and Economic Progress, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 4, line 18, strike out "and" the second time it appears.

Page 4, line 14, after "Commission," insert: "and the Director of the United States Arms Control and Disarmament Agency."

Page 4, lines 16 and 17, strike out "the Secretary."

Page 5, line 3, strike out "Commission" and insert: "President".

Page 5, line 3, after "appoint" insert: "by and with the advice and consent of the Senate and, without regard to the provisions of

the Classification Act of 1949, as amended, to fix the compensation of."

Page 6, line 17, strike out "\$2,000,000" and insert: "\$1,000,000".

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. GRIFFIN. Mr. Speaker, reserving the right to object—and I shall not object—I know that there are several Members on this side who would appreciate it if my colleague from Michigan would briefly explain what is taking place.

Mr. O'HARA of Michigan. The bill H.R. 11611 was passed by the House of Representatives to establish a National Commission on Technology, Automation, and Economic Progress. It was sent to the Senate, where it was amended in three particulars.

The first amendment, to section 6, involved a grammatical change with no change in substance.

The second amendment has to do with the appointment of the Executive Secretary of the Commission, providing for his appointment by the President, with the advice and consent of the Senate, and with respect to the fixing of his pay.

The final amendment reduces the authorization for appropriations from \$2 million to \$1 million.

Mr. GRIFFIN. Can the gentleman from Michigan assure me that the leadership on this side of the aisle is aware of the request now being made by the gentleman?

Mr. O'HARA of Michigan. It is my understanding that the gentleman from New Jersey [Mr. FRELINGHUYSEN], the ranking minority member of the committee, and the minority leader, the gentleman from Indiana [Mr. HALLECK], have both agreed to the unanimous-consent request.

Mr. GRIFFIN. Mr. Speaker, I withdraw my reservation.

Mr. TAFT. Mr. Speaker, reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Michigan, if there is any change whatsoever in the provisions relating to the subpoena powers involved as it originally passed the House.

Mr. O'HARA of Michigan. I want to assure the gentleman that there is no change whatsoever in the House provision with respect to that matter.

Mr. TAFT. I thank the gentleman for that assurance and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

### ACTION IN THE FAR EAST

(Mr. FOREMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOREMAN. Mr. Speaker, I am thankful that this administration has finally recognized that extreme measures

taken in the defense of American naval ships and lives is no vice.

This provocative attack on our forces by the Communists could be expected as a result of our no-win, vacillating foreign policy. If we are to prevent escalated war and further hostile provocations, then the United States must make it unmistakably clear to the Communist aggressors that we will not back down in the defense of American lives and freedom, and further we are prepared to use whatever force necessary to maintain this firm foreign policy.

The U.S. retaliatory action was consistent with the positive dependable foreign policy action that I have been calling for since the beginning of this administration. This positive action, however, answers only a small part of the overall problem—we have more than a PT boat war on the mainland of Vietnam—and it is time for this administration to act decisively, and present a positive plan to win this war.

There is far less risk while we are strong and while the enemy is divided, and overextended, of using our strength as a shield, and our firm purpose as a sword, to settle without war, the claims of freedom and the crimes of tyranny. Wherever and whenever we moved from strength, we have moved closer to peace. Wherever we have moved from fear, indecision and weakness, we have moved closer to war.

### COMMITTEE ON RULES

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

### ECONOMIC OPPORTUNITY ACT OF 1964

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 806 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States. After general debate, which shall be confined to the bill and continue not to exceed six hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of the bill H.R. 11377, it shall be in order in the House to take from the Speaker's table the bill S.



2642 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11377 as passed by the House.

The SPEAKER. The gentleman from Texas [Mr. YOUNG], is recognized for 1 hour.

Mr. YOUNG. Mr. Speaker, I yield the gentleman from Ohio [Mr. BROWN] 30 minutes and pending which I yield myself such time as I may consume.

(Mr. YOUNG asked and was given permission to revise and extend his remarks.)

Mr. YOUNG. Mr. Speaker, House Resolution 806 provides for consideration of H.R. 11377, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States. The resolution provides an open rule with 6 hours of general debate; after passage of the bill, H.R. 11377, it shall be in order to take S. 2642 from the Speaker's table, move to strike out all after the enacting clause and insert in lieu thereof the House-passed language.

The United States is the first major nation in history which can look forward to victory over poverty. Our wealth, our income, our technical know-how, and our productive capacity put this goal within our grasp. As a nation, we clearly have the capacity to achieve this victory; what we need now is a commitment on the part of the people, the communities, private organizations, and all levels of government.

The purpose of H.R. 11377 is, first of all, to express this commitment, to state explicitly that the Congress and the Federal Government are committing this Nation to a war designed to eliminate poverty. This legislation also proposes programs which, during the first year of this war, will expand opportunities for youth; stimulate communities to initiate local action programs; help rural families now destitute to increase their income; provide a sounder base for the rehabilitation of poor areas of our great cities; provide special programs for undereducated adults and migratory agricultural workers; and encourage more States to use public assistance as an instrument for helping families lift themselves out of poverty; and recruit and train volunteers who will help carry out the war on poverty.

Mr. Speaker, one important aspect of this legislation may well cause this legislation to be one of the most constructive pieces of legislation presented to the Congress in our time. The provisions of the bill which vest the Director of the program with the responsibility and authority to examine into and institute steps to eliminate overlapping, antiquated, and wasteful programs in the general field of assistance is not only desirable, but an absolute necessity. We have heard testimony that more than \$4 billion annually is being spent in direct assistance programs in this country; we have heard testimony that there are 42 governmental agencies and departments spending \$32 billion annually in programs related to assistance; and we have heard that there are now instances of families having been on relief for as much as four gen-

erations. Certainly, all would agree that this course of things must be altered.

I want to commend the administration for having the courage to attack this problem. I feel that the authority of the Director in this field should be spelled out more clearly for purposes of emphasis and I intend, at the proper time, to offer an amendment for this purpose.

Mr. Speaker, I urge the adoption of House Resolution 806.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 10 minutes.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, if my colleagues will forgive me a personal allusion, I would like to start my discussion of this legislation by saying that 46 years ago this year I was elected as a "kid" Lieutenant Governor of my State and began my first public service presiding over a State legislature.

Mr. Speaker, in the 46 years that have come and gone since that time I have had considerable experience with legislative matters. It is my honest conviction, and my earnest belief, that in all those 46 years I have never encountered a piece of legislation as loosely drawn, as poorly prepared, so poorly written, and so badly documented as the bill that this rule would make in order for consideration under 6 hours of general debate, H.R. 11377, which has the official name of "Economic Opportunity Act of 1964," but has been given, for obvious reasons, the very attractive political name of the "antipoverty bill."

Mr. Speaker, for many days the Committee on Rules, of which I am a member, heard testimony given for and against this measure by Members of the House, especially by those who have spent the most time studying the bill. I note that not a single Member of the minority supported this legislation, in the committee which gave it birth, and that all but one Member of the minority signed a minority report giving their dissenting views.

This bill, which has a first-year price tag on it of \$962.5 million for the balance of fiscal 1965, carries no restriction on the amount of money that may be spent under it in fiscal 1966 or fiscal 1967.

The bill itself is a "conglomeration," if I may use that word advisedly, of programs that have either been submitted to the Congress in the past and not acted upon, submitted to the Congress and defeated by it, or, approved by the Congress in some instances in the past and tried out by the administration in power at that particular time, found to be wanting for various reasons, and abandoned by the administration that gave the idea birth in the first place.

Mr. Speaker, the bill itself is divided into some six titles.

Title I includes different youth programs. Part A of title I provides a job corps to be established to provide training and work experience for boys and girls aged 16 through 21. The total time enrollment is not to exceed 2 years for any individual. Enrollees may be provided with living, travel, and leave allow-

ances, as well as quarters subsistence pay, and would be entitled to readjustment allowances that would amount to about, I believe, \$1,200 for 20 months of service.

Mr. Speaker, if I understand the measure correctly, according to the testimony given on this matter, this program alone would average—a cost for each enrollee—about \$4,700 a year. For \$4,700 per year you could send a boy or a girl to a pretty high-grade university or college, even Harvard, if you desired to do so, and perhaps have a little bit of money left over if they were careful with their expenses.

The statement and argument is made that many of these youngsters are not equipped mentally to take a college course; that they are not even high school graduates, and perhaps some of them have not completed grade school. So they are to be given special training in a job corps which will be somewhat similar, in some instances, not in all, to the Youth Conservation Corps of the 1930's, where we put young men out in the woods for a while. They built up their health, but in the end the program was abandoned by the administration because there was no great demand for trained woodsmen, and boys were not trained or equipped to do other types of work.

This bill provides in part B for a work-training program to provide work experience for unemployed young men and women, and so forth.

Now, we have a number of these training programs already in existence. We have, of course, as you know—for this House has passed it—legislation authorizing the expenditure of hundreds of millions of dollars for vocational training in the schools and technical institutions of the country. The fact of the matter is to meet the issues involved in this bill, according to the testimony given to us, we now have 42 different Federal programs dealing with poverty, and to help those who may be in need of assistance, relief, or what have you. In addition to these 42 special programs already established, already funded, if you please, we have 150 other Government programs which devote a great part of their attention and of their expenditures in looking after people who may be out of work, need job training, or further education.

We are spending hundreds of millions of dollars on these projects now in addition to the new programs suggested here.

We also have a work-study program set up under this bill. The purpose of this is to stimulate part-time employment of students in institutions of higher learning who are from low-income families. We will soon have a bill before us providing those desiring to go to college and do not have the funds to pursue courses of higher education in colleges and universities to obtain liberal assistance or loans from the Government, in some instances on a forgivable basis. That bill will be along as a part of the Defense Education Act, and will cost a billion dollars for its program alone.



For these three different subjects I have mentioned, the pending bill proposes in fiscal 1965—that is, for the balance of this year up to July 1 next—to authorize an appropriation of \$412.5 million.

Title II of the bill deals with another entirely different subject. It is for new urban and rural community action programs, whatever they may be, and the purpose of the section is to provide “stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.”

We have a number of similar programs for this very purpose already in existence, already funded with taxpayers' money, already operating, applications already on file, and more being received regularly.

Part (b), title II, provides for a new adult basic education program. We have some of these already. We have job-training programs now underway for adults so that they can be retrained, if as the result of automation they are taken out of some particular activity, so as to make a living doing something else. We have several of these youth and adult programs in effect. Some States have had more drop-outs from similar State-operated programs than from any of their regular school programs.

According to the bill, the cost of title II would be, for fiscal 1965, the balance of this year, \$340 million.

Title III deals with special programs to combat poverty in rural areas. This seems to be, as I can best understand it, something of a revitalization of the old resettlement program of early New Deal days, when Rex Tugwell went out and bought much fine farmland, built some little modern houses thereon, and resettled people on 40 acres of land. They had this program in our State, but it lasted only a couple of years. We spent \$30 or \$40 million on it. It did not work. It did not help the people we thought it would help at that time. But here we are again, trying to do the same old thing in this area of national politics and national planning.

This bill would permit, for instance, the Director of this program under title III to make grants, that is, cash gifts, of not to exceed \$1,500 to rural families, and to loan such families for as long as 15 years up to \$2,500, in the aggregate, to use in farming, and we already are paying a great many Americans large sums not to raise crops. Yes, we are paying hundreds of millions of dollars to reduce farm production, but that is the other side of the story.

Part B of title III, deals with migrant workers and their families, under a program that may be justified, and probably could serve a good purpose.

Part C deals with the appropriations needed to finance this particular title III, \$50 million for 1965, or the balance of this fiscal year alone.

Title IV deals with employment and investment incentives, so as to let the little businessman who cannot get credit anywhere else borrow money from the Government to start a business, in com-

petition with other businesses. If he cannot get any assistance at home from anybody, then the Federal Government will come in and pick up the check. Remember we already have a Small Business Administration that seemingly has done a good job of helping small business finance itself, as needed, and the repayments there under have been fairly good. But this section goes even further than that. It goes way beyond what Congress has provided for the Small Business Administration, and the repayment of its loans.

Title V deals with work-experience programs. The purpose of that title is to expand opportunities for constructive work experience, whatever that may be. You must take this proposal into consideration along with these other matters. They do not quite jibe. They do not quite fit.

Title VI—Administration and Coordination, provides that there be set up in the Office of the President an Office of Economic Opportunity, with a director, too, and that agency will receive about \$10 million during this present fiscal year to administer this law.

To show you just how loosely drawn this whole piece of legislation is, I understand the Education and Labor Committee itself will present somewhere around 47 different corrective amendments to it. The committee handled this legislation in such great haste and great hurry, without adequate hearings, that the committee itself has found, since that time, that these amendments are necessary if the bill is to be put into any sort of presentable form.

Everybody is against poverty, nobody wants poverty; everybody wants to help needy people, who try to help themselves. We all want to help them, of course, but first they must want to help themselves. Those who need help assistance should take advantage of opportunities now given under present, existing programs.

We should not create, we should not establish, new programs to be piled on top of the programs we already have. We should not add new expenditures to those we already have authorized for these existing programs.

Instead, in the opinion of most people who have studied this bill carefully, and certainly the opinion of many members of the sponsoring legislative committee, this measure should be returned to the Committee on Education and Labor from whence it came for restudy and the holding of complete and adequate hearings. Hearings were not held at all on some of these sections—or for only an hour or two on others—so no real study, no real attention, no real consideration was actually given to the language in this bill. Of course, that means when this measure comes up under the 55-minute rule, besides these 47 correcting amendments the committee itself will want to make in an attempt to whip their legislation into shape for House consideration, that undoubtedly many other Members will have amendments they will want to offer to this measure, if it is to be made workable at all, and there is a real doubt as to whether this

legislation that is before us now can be used, as a basis, or as a skeleton, upon which to build, so as to make a good workable bill out of it so as to do the things the sponsors of the legislation say they want to do and accomplish.

The SPEAKER. The time of the gentleman has expired.

Mr. YOUNG. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, our good friend and colleague on the Rules Committee, the gentleman from Ohio [Mr. BROWN], stated there were hardly any hearings on this legislation. According to the records of the Committee on Education and Labor, there were 20 days of hearings. One hundred and twelve witnesses appeared before the committee and there were 8 days of hearings by the committee in executive session.

Mr. Speaker, on legislation of this type we are going to hear the usual speeches about it being complicated, and about there being something mysteriously complex about the bill and that there has not been sufficient work done on it and that it should go back to the committee for further study. This will be the same kind of talk that we have heard on every piece of legislation similar to this.

But nevertheless this is a bill that will bring to millions in this country an opportunity to enjoy just a few of the ordinary privileges and abundances that all citizens of this country should have an opportunity to enjoy.

There are over 30 million people in this country who can be classified as being in the poverty bracket—30 million people.

After World War II, I called General Hershey and asked him if he had a breakdown of the number of draftees who were called in the draft and who were sent home because they were educationally deficient or could not read or write. Do you know that there are 11 States in this Nation where between 27 and 33 out of 100 boys were sent home because they could not read or write? They did not have the educational qualifications to be privates in the Army or to be second-class seamen in the Navy.

I will say that the State of Indiana was very fortunate in that respect because Indiana only had 2 percent out of every 100 boys who could not read or write or were educationally deficient to qualify as privates in the Army or third-class seamen in the Navy.

This legislation is going to help educate thousands of boys and girls over the years and to give them an opportunity in their younger years to go to school and to learn something about the fundamentals that will give them a chance to take their place as useful American citizens.

There are about 1 million people thrown out of work every year as a result of automation in industry. I attended a banquet in Detroit about a year and a half ago and one of the officers of the Ford Motor Co.



said that they had just completed a large assembly line plant where one person will do the work that four people did before. The assembly line was almost a half mile long. He said that you could practically take a pair of binoculars and look down that big long assembly line and not see anybody working. Modern machinery and scientific inventions did work which formerly required manpower.

Unemployment—brought about by automation—is one of the problems that this bill will help solve.

Another important fact is that there are some 1 million high school graduates and dropouts, boys who come out of high school every year, looking for jobs. This bill will help those boys to secure jobs, because it will give them needed educational background.

We will hear about what this will cost over \$900 million. J. Edgar Hoover made a speech about a year ago in which he stated that the cost of juvenile delinquency to this Nation is \$3.5 billion a year, and that most juvenile delinquency is brought about by reason of a lack of opportunity or education for the unemployed or uneducated youth of this country.

Furthermore, about \$4 billion is spent over the Nation every year on the relief rolls. This bill, if enacted into law, will greatly reduce that \$4 billion of expense we are paying out now on relief, because it will give to millions of families in this country an opportunity to educate or prepare their children for careers so that they can enjoy some of these great abundance and privileges which a prosperous nation offers craftsmen or workers with experience and talent.

These millions of whom I speak do not have any lobby here in Washington. There is no lobby working the legislative halls for these common folks who will be benefited by passage of this bill.

Yes, we are going to hear speeches on this floor with Members saying, "My gracious, what a cost this will be. This bill will be a terrific cost on the taxpayers."

We know just about what it will cost. According to this bill, I believe the cost is a little more than \$900 million.

Most Members who will get up to make speeches against this legislation will be the same people who in the past have voted for big handouts for cartels and industries and bureaus who could afford to pay large salaries for high priced lobby organizations to represent them here in our Nation's Capitol.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman has expired.

Mr. YOUNG. Mr. Speaker, I yield 5 additional minutes to the gentleman from Indiana.

Mr. MADDEN. These people who will make some of the speeches voted to give a big handout to the cotton industry, not long ago. The cotton moguls have quite a lobby here to help them out. Some of these same Members voted to give assistance through subsidies to the shipping industry.

I heard Senator DOUGLAS a few years ago say, over on the other side of the Capitol, that about \$4 billion could be

taken into the Treasury if we would reduce or knock down that 27½ percent oil depletion allowance the oil boys have been enjoying for over 20 years. This bonanza was enacted as a temporary war measure, but the oil lobby has retained it long after the war crisis has past. Even a 20-percent reduction of this mammoth handout would more than finance this antipoverty bill.

We might go along and mention a few more subsidies. We might mention the banks, for instance. During the first few months of the Eisenhower administration interest rates were increased thanks to that wizard of high finance, Secretary of the Treasury George Humphrey.

Members will remember the great concessions, the high interest concessions, they received for loaning money overseas. If they lose \$1, the Government will pay them back.

How about the cost-plus handout bonanza in the Government cost-plus contracts which if pared down would pay for several antipoverty bills.

These poor folk who will be benefited by passage of this bill should have a chance to get legislation to aid their education through this great legislative body.

My friends, the people are watching this legislation. The people over the country want to know what is going to happen. Millions of families in this country would like to enjoy some of this Nation's abundance. They are going to watch the vote on this bill, to see whether those who voted for these handouts to the big boys, to the so-called fat cats, will get in line to vote for a little help to millions of boys and girls from poor families who need fundamental help and jobs.

Mr. Speaker, I yield back the remainder of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, we have just heard a dissertation on the oil depletion allowance, the "fat cats," and the "big boys."

I predict to you that as long as Lyndon Johnson sits in the White House there will be no legislation enacted affecting the oil depletion allowance.

I have a bill in on that subject.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Certainly I yield to the gentleman from Indiana.

Mr. MADDEN. I have heard the gentleman almost every day for years and years get up and talk about economy and about the poor taxpayers.

But in all these years I have never heard the gentleman mention anything about that oil depletion allowance.

Mr. GROSS. Just for the information of the gentleman from Indiana, let me say to him that I have in this Congress, and have had for several years, a bill that would reduce to 15 percent the oil depletion allowance. Now will the gentleman from Indiana tell me he has a

bill in Congress to reduce the oil depletion allowance?

Mr. MADDEN. Yes, but I have made several talks on it and I have presented the situation before the Rules Committee on it on a number of occasions. Will the gentleman join me next session in that kind of a bill and, instead of 15 percent, how about 27½ percent?

Mr. GROSS. It is presently 27½ percent. I will settle for 15 percent or lower. But instead of the gentleman from Iowa joining with the gentleman from Indiana, suppose the gentleman from Indiana joins the gentleman from Iowa who has the legislation pending.

Mr. MADDEN. That would be very fine. I did not know you had a bill in. You must have filed that by the light of the moon because this is the first I have heard of your bill. The Gross oil depletion repeal bill is the best kept secret in the gentleman's long legislative record.

Mr. GROSS. I suppose every bill is filed overnight. Is it not?

Mr. MADDEN. If the gentleman will yield further, I read in the newspaper several years ago about a \$300,000 campaign contribution check by the oil lobby to a Republican national committee banquet. They refused that check and it was finally siphoned through to the GOP by some Republican State committee.

Mr. GROSS. I do not know any more about that \$300,000 check than I know about the \$14,000 offer that was allegedly made to a Democrat Member of Congress.

Mr. MADDEN. A \$300,000 check I said.

Mr. GROSS. I do not know any more about that \$300,000 check than I know about a \$14,000 offer which I read about in the papers the other day.

You tell me all about it some cold, rainy day when we do not have anything else to do.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. NELSEN. I just checked in the dictionary for the word "holler," and I could not find a definition. Do you know what it means?

Mr. GROSS. What?

Mr. NELSEN. Holler. H-o-l-l-e-r. I could not find it in the dictionary. I understand the gentleman from Indiana suggests you have been hollering, and I went out to check the definition and I cannot find it.

Mr. GROSS. Coming from southern Iowa, we used to speak of "hollers" and "cricks." I do not know whether this is what is being referred to or not. It escapes me. The gentleman from Indiana says there are 38 million people living in poverty in this country. I would remind you that only yesterday the House completed action on a bill that is going to take some 500-odd Members of Congress out of the ranks of the poverty stricken as well as a good many hundreds of others, including Federal judges and Justices of the Supreme Court, and so on, and so forth. With



their salaries raised to \$30,000 a year, no longer are Members of Congress going to be among the poverty stricken. Mr. Speaker, I am not impressed by the fact that someone says there are 38 million people living in poverty in this country. I just do not believe it, for I have seen no reliable statistics to that effect. Even if there were 38 million people living in poverty, simple arithmetic would tell anyone that on the basis of spending \$1 billion or less than \$30 per year per person, would not begin to eradicate poverty. This bill is political gimmickry at its worst.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman from Iowa has expired.

Mr. YOUNG. Mr. Speaker, I yield 10 minutes to the chairman of the Committee on Rules, the gentleman from Virginia [Mr. SMITH].

(Mr. SMITH of Virginia asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, here we go again with legislation by labels. We are in the habit here of putting a fancy, attractive, appealing, and tear-jerking title on some legislation that might not be too popular and hope to get it through by the popularity of the label. I was impressed with that when this bill first was introduced and talked about. I thought it would be nice to kill poverty, because many of us, I know in this House, have suffered the pangs of poverty and know what it is. So I was attracted by it. I got the bill as soon as it was introduced, feeling that maybe here was something really constructive that could be done. I read that bill. Then I waited until the bill came out of committee. Then I took and sat down for a couple of evenings and I made a careful study of the bill. I did not just read it; I read it sentence by sentence and paragraph by paragraph. And I stopped to see what were the implications of it and what could be done, but chiefly what could not be done. You will find, if you read this bill, that there are very few things that cannot be done. I would say that the principal feature of this bill is that it says, "Here is \$1 billion, take it and abolish poverty."

In the short time that I have I want to point out to you just a few of the highlights of this bill and what I consider the uncertainties of it. After much study, and after hearings in the Committee on Rules, I just do not know where it starts and where it stops, what it does and what you cannot do with it. I think you can do anything you want to under this bill. Let us take a few examples.

The first title of this calls for the revival of the old CCC camps. How are they going to be made up? In the first place, the bill says that they shall be camps for young men and young women. Are they to be coeducational? Well, they say, we would not think of doing anything like that, but you must not pass legislation on what somebody thinks they will not do. You must pass it on what the language of the bill itself says you can do. That is responsible legislation.

Besides boys and girls, what else are these camps composed of? They have to

be between the ages of 16 and 22, but they may not be those who have had a high school education. No, that is prohibited under the bill. They must be boys and girls who have not graduated from high school who are in effect what we call dropouts. And do you know, before you can take anybody in there, the school authorities of the particular area have to certify that this boy or this girl is not capable of further education. Does it not pretty nearly spell out a concentration camp of delinquents, youthful delinquents, or potential delinquents? Of course, they will be integrated.

And I want to call attention particularly to the Members who are troubled with that problem or who used to be troubled with it. Of course, the trouble has now gone to the North. Of course, we do not have any Armed Forces going into the North to take care of that trouble. But if it happened south of the Potomac River, we would have the Army, the Navy, and the Air Force down there pretty quickly.

I want to say to the Members from the South who are going to vote for this bill—and I know there are a lot of them who are going to vote for it—that they are voting to implement the civil rights bill that they opposed and voted against. These are going to be integrated camps in your area and your Governor has no right or power to prohibit their coming into his State.

They are not going to be very popular south of the Potomac River. Just think about that before you get around to voting on this bill. Someone said that is the law of the land. Maybe it is, but still some of us do not like it; and I think there are more now who do not like it, who rather liked it when they voted for it a month or so ago. I believe they are beginning to find out what it is all about.

Mr. Speaker, throughout this entire program one will find if one studies it as I have studied it, that there is a duplication, a duplication of other programs, every bit of it. It duplicates education because it provides for vocational education. It duplicates programs of the Department of Agriculture because it provides for soil surveys and mapmaking. The Department of Agriculture has been putting out maps of counties and analyses of the soil for more years than I can count. There is only one agricultural program that puzzles me, and that is included for these camps to do. That is that they are supposed to work on "disturbed plant communities."

With respect to disturbed plant communities, I wish somebody here on the Agriculture Committee would tell me what a "disturbed plant community" is. Maybe that is a new thing. I do not think the Agriculture Department has gotten around to it.

But, Mr. Speaker, the whole bill from one end to the other—and there are seven titles—there are duplications and you will find them crossing lines with other agencies and other appropriations. Almost every one of these titles has something to do with the further allocation to educational problems.

Mr. Speaker, we are spending over \$5 billion a year on education. That is

what the Federal Government contributes to education. We have a bill now pending up in the Rules Committee for an extension of the Defense Education Act. This poverty bill provides for various and sundry programs of education from the graded school up to and including college education. We have bills covering it all. Why confuse the situation with these things? But, it is labeled "poverty." We are going to kill poverty. Here is \$1 billion with which to do it. Of course, this \$1 billion will only last 1 year. They talk about this \$1 billion killing poverty. No; this is just the nose under the tent. You will be voting several billion dollars each year for this program after it gets started. Did you know that this crosses over with the Small Business Administration? You know there is a title contained in this bill that authorizes them to get in on that game with small business and make loans and turn them over to the Small Business Administration? Why do you not give it to the Small Business Administration, if you want to? Why complicate the thing and make it so confusing?

Mr. Speaker, nobody knows where we are going in this bill or why.

With further reference to the agricultural program, yes; they are going to make grants to farmers. They are going to give them \$1,500 to get started. Anyone who knows anything about farming knows that \$15,000 will not give you a start on a farm.

Then they are going to make the loans of \$2,500 plus the grants of \$1,500 that they make them, and the chapter on farming is so drafted that anyone who knows anything about farming knows that the person who wrote that title of the bill did not know anything about the farm and that he would not know a horse from a cow.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman from Virginia has expired.

Mr. YOUNG. Mr. Speaker, I yield 2 additional minutes to the gentleman from Virginia.

Mr. SMITH of Virginia. Well, I will hurry along.

Now, Mr. Speaker, we have community programs. Do you know what they do?

These community programs are programs, I do not know what they are going to do, but according to this they can do anything that otherwise could not be done. It looks like a boondoggling proposition to start with. They can sponsor programs not only those sponsored by the governing body of the community, but by any nonprofit organization.

What is a nonprofit organization? Can they set up a project to help the Ku Klux Klan, can they turn money over to the NAACP, can anybody find anything in this bill that would stop them from sponsoring the establishment of a nudist colony in your State or county? Think about that, look at it, read it, and study it. If you read this bill I do not think any reasonable person could support it in its present form.

It also goes into health, education, and welfare. Did you know that it amends the Social Security Act in title VII? Nearly every title crosses over into the



jurisdiction of some other legislative committee or into the field of some organization that is already set up, already appropriated for, and already spending the taxpayers' money.

If you will read the bill I do not think it will pass.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. TAFT].

Mr. TAFT. Mr. Speaker, I take this time to address myself to the general proposition of this bill that for some reason the attack against poverty must be made in one office or under one man as through this measure. I think it should be made clear at the outset that we in this country from the very inception of our country have been engaged in a war against poverty, and that success, judging by the standard of living in this country, has not been entirely withheld. We shall continue those programs, and all of us would work to continue those programs.

I call your attention to the fact that in discussions previously held on this bill under special order we pointed out the fact that over \$30 billion of present programs are engaged in activities that relate to equality of opportunity and helping the people of the Nation to help themselves. We have listed over \$8 billion in specific programs dealing with the area of poverty under eight different governmental departments.

It seems to me that the mere coordination in just this program, which will at best—on a money spent basis—have not more than one-eighth of the effort directed to this program, is not going to be the proper solution.

This bill represents a consolidation of other legislation that has come before committees of the House during this session, the grouping together of a lot of programs that should have separate consideration by the House. Many facets of the program were never considered by the appropriate committees for the particular programs. As to title I, part A, the Job Corps, we have pending and passed by the committee a Youth Unemployment Act which goes into that matter. We have considered what the need might be in this area and we have spelled this out.

With regard to the Domestic Peace Corps, in the same way, the subcommittee of which I am a member has already acted favorably on and reported a Domestic Peace Corps proposal, which, incidentally, takes up some 20 pages to spell the program out in detail. That proposal has been put on the shelf entirely, and as a result we find just two lines or less in this bill giving blanket authority to the Director, without any definition or sense of direction about the program, as to how this particular program is going to work. Many of the other programs, agriculture, the farm programs, the small business loan programs, the various scholarship or loan programs involved under title I, part C, are more of a duplication of present programs than they are new programs in any way, shape or form.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New York.

Mr. GOODELL. I think the gentleman will recall that he asked the chairman of the subcommittee handling the National Service Corps bill if this provision of the poverty bill meant that the National Service Corps bill was dead, and his reply was that if it was not dead before the poverty bill came up here it was critically ill. In other words the National Service Corps could not stand on its own feet.

Mr. TAFT. That is true. That position was backed up by two members of the Cabinet of whom I asked the same question as to the domestic Peace Corps, the Secretary of Labor, and the Attorney General. The argument is made that because you are putting in a few new programs, merely supplementing programs already existing, you must put them in a separate agency. Somehow this is going to be the answer to all the problems of poverty we have faced throughout our history. That is a gimmick, nothing but a political gimmick, and should be so labeled.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. MARTIN], a member of the Rules Committee.

Mr. MARTIN of Nebraska. Mr. Speaker, as a member of the House Education and Labor Committee and the subcommittee which conducted hearings on this bill, and as a member of the Rules Committee, the more I have seen and the more I have studied this piece of legislation the more firmly convinced I am that this is one of the worst pieces of legislation that has ever been presented to the Congress of the United States.

I am firmly convinced, Mr. Speaker, that because of the provisions of this act and the way that it is drawn we are going to set up in this country a czar whose power will greatly exceed that of any member of the President's Cabinet, because it places this czar, the administrator of this program, over and above eight different departments of our Federal Government, members of the President's Cabinet. This czar has the power to override their decisions in the operation and the conduct of this antipoverty bill.

Let me make another point. It is a strange paradox that in this country—and there will be many speeches made on this subject within the next 60 to 90 days in the United States—that the gross national product is the highest in the history of our country, that the prosperity of this country is at the highest point that we have ever seen or any other nation in the entire world has ever seen, yet on the other hand while the administration is talking about this great prosperity we have to enact a billion-dollar-a-year antipoverty program to take care of the extreme poverty which we are told exists in the United States. It seems to me someone is playing both ends against the middle in regard to this legislation.

We have been told that there are 9,250,000 families in poverty in the United States, and this is according to the President's Council of Economic Advisers, whose income is below \$3,000 a year.

That is the poverty cutoff point for this legislation. This is a total of about 35 million people.

Who are these people? Let us analyze it just a moment. Retired people; there are about 20 million. There are about 20 million people on social security. Many of these people on social security do not receive enough money to put them above this poverty classification of \$3,000 a year income. We have over 1 million members of the armed services who qualify as poverty citizens of the country. We have the elderly and disabled persons. We have 8 million persons who are receiving some form of relief. This was true of 1963. Then we had in 1963, 6 million persons who drew unemployment benefits throughout the country.

Let me read to you very quickly just a few provisions in this bill to point out some of the very, very bad features of it. I understand the committee itself is going to have to make at least 47 amendments to correct mistakes that were made in the drawing up of this bill in committee. So you can see it was not very soundly and wisely considered in the Committee on Education and Labor.

Under the Job Corps program on page 5: "Only in exceptional cases shall enrollees in the Corps be graduates of an accredited high school."

Now that means we are not going to take our top young people. That means we are going to take young people who have not completed high school either because of financial difficulties or perhaps because their IQ is low, and they do not have the ability to do their school work. We are not going to get a high-class program in this Job Corps program by the very language included in the bill itself.

Under part B of this Job Corps program, section III, let me read to you just a few lines:

The purpose of this part is to bring useful work experience opportunities for unemployed young men and women through participation in State and community work training programs so that public agencies and private nonprofit organizations will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that otherwise would not be provided.

This gives wide latitude to the czar of the program to assist private nonprofit organizations. Under this heading could be included political parties, chambers of commerce, labor unions, and so forth.

This is another illustration of the looseness with which this bill has been drawn. Section 113 on page 9 of the bill provides:

The Director is authorized to enter into any agreements providing for the payment by him of part or all of the cost of a State or local program.

This means that the Director for a work training program may, if he so desires, contribute 100 percent to the operation of the program contrary to the language in section 115 on page 12 of the bill.

Title III: Special Programs To Combat Poverty in Rural Areas is perhaps the most fantastic of any in the entire bill. This authorizes the Director to make an



outright grant of \$1,500 to low-income rural families for practically any use.

What right do we have to give to one segment of our economy outright grants of \$1,500 for families who are in a low-income bracket?

In addition, this section of the bill provides that loans of up to \$2,500—with 15 years in which to repay the loan—may be granted to families in this classification. It is assumed that these loans will be made only to families who cannot qualify for loans under the Farmers Home Administration program or from other sources.

Perhaps one of the most unbelievable sections in the entire bill is Section 303: Families' Farm Development Corporations. This provides that nonprofit corporations may be set up to purchase farmland which may then be subdivided with improvements built thereon and resold to farm families.

If a loan is sustained by a nonprofit corporation the Director of the program will make up the loss to the corporation.

This is the old Farm Security Administration under Mr. Tugwell, which was operated briefly in the thirties. This program was a complete failure.

I questioned Sargent Shriver when he testified before our subcommittee in regard to this on his first appearance, and he was not aware that we even had such a program during the thirties.

As he was the last witness before the subcommittee, approximately 6 weeks later I again asked him if he had done some research on the FSA program in the thirties. His reply is quoted on the bottom of page 1536 and the top of page 1537 to my question.

Mr. Shriver referred me to Mr. James Sundquist, Deputy Under Secretary of Agriculture, and his reply was truly amazing. I quote:

Our material is not yet in shape to submit for the record, sir. These old records have been very hard to run down and get anything satisfactory from. We are still doing our best. When we can get something we will submit it for the record.

Bear in mind that Mr. Shriver had 6 weeks in which to dig up this information, and that was the final answer that I received.

This program, Mr. Speaker, is so unrealistic that the American citizen is unable to understand and realize that some Members of the Congress are serious about the enactment of this fantastic program. I urge, Mr. Speaker, a resounding defeat for this bill when we have the final vote within the next 2 days.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman has expired.

Mr. YOUNG. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. WATSON] for the purpose of making a unanimous consent request.

(Mr. WATSON asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. WATSON. Mr. Speaker, let me first assure you and my esteemed colleagues that my opposition to the administration's Economic Opportunity Act is in no way opposition to the humani-

tarian principle of combating poverty. The thought of any American citizen living under substandard conditions, without the so-called essentials of life, is as appalling to me as it is to any man seated today in this illustrious Chamber of lawmakers. However, neither H.R. 10440, nor its replacement, H.R. 11377, hold the answers which will remedy human economic misery in the United States.

Before looking at criticisms and specific aspects of the bill, I would like to discuss the whys and wherefores of the legislation in general:

Proponents of this measure have apparently just discovered poverty in the United States and think they can eradicate it with one sweep of the congressional arm. Let us not forget that this is an election year. In this great land of opportunity, the sight and thought of poverty strikes anger, fear, and determination in the hearts of all its citizens. Surely any man who would champion such a cause as hand-to-hand combat with poverty would command the admiration of all freemen. By this I do not mean to imply that President Johnson is thinking only of his own election. However, the well-timed announcement of his declaration of war must be taken into consideration. Fighting poverty has not just come into style, and it will not go out of style in November. We must think in terms of man's eternal battle with poverty, which will continue long after you and I have served our terms in Congress. Poverty is not a situation which can be ended with one positive vote here in Congress.

I would also like to discuss some general criticisms of the bill:

In the first place, the whole of the United States is not in the depths of poverty as one might think from the publicity given the President's plan. We have come a long way, even just in the past 30 or 35 years. Using 1962's dollar value, 50 percent of America's families had an income of \$3,000 or less in 1929. Using the same standard, that figure has steadily dwindled to about 20 percent at the present time.

Also, the so-called poverty standard of \$3,000 per year per family is not a workable one. In some sections of the country, \$3,000 is a more than adequate family income, while in others it is indeed substandard. And let us not forget the senior citizens living on social security and our fine military personnel, many of whom have incomes of less than \$3,000. Also, in many other countries of the world \$3,000 a year would allow a family to live in regal wealth.

The program seems to forget the very young, where proper aid might truly mold better Americans, and the elderly citizens, who, according to the "poverty standard," make up a large portion of our "poverty-stricken," due to their reliance on social security.

In another respect, to say that one-fifth of America's families are living in poverty can but damage the prestige of the United States abroad. At present, we are engaged in a rather "warm" cold war with the Soviet Union and communism. At least on the surface, the

major issue is economic, with the uncommitted nations of the world watching to see which economic system, capitalism or communism, can offer them the most. With the Soviet Union claiming economic prosperity for all her people and the United States talking about her poverty-stricken masses, how can we hope to influence the rest of the world away from communism and toward free enterprise, capitalism, and liberty?

And even if this extremely important consideration is disregarded, the question remains: Can we simply legislate poverty out of existence? Or is poverty more of a socioeconomic humanitarian problem which will be with us for many years to come?

I would not be so quick to oppose the administration's plan if it showed promise of making definite inroads against American poverty or of providing a new approach with which this great Nation might do battle with one of its internal enemies. However, I see no such merit in this plan. It is a hastily thrown-together conglomeration of previous congressional rejects, duplications, and by-passments of existing agencies and programs, couched in vague, indefinite terms. It would seem to me that the major contribution of this act would be the establishment of an entirely new layer of Federal bureaucracy, headed by a so-called "poverty czar," with almost limitless powers. Under no circumstances can I see where such a contribution would benefit any but those of the bureaucracy itself.

And finally, the increased Federal spending embodied in this bill is far from encouraging to those advocates of sound, conservative, constitutional government. Congress has already been called upon to increase the national debt limit to \$324 billion, with an implied trend of more and more Federal spending. This bill alone would cost almost \$1 billion for the first year, with no price tag as yet set on the second and third years. This is a high price to pay for the wrong approach to a problem. This proposed plan is building up high hopes among America's less fortunate—hopes that are destined to be dashed upon the rocks of failure when the program does not live up to expectations.

To emphasize my point, I would like to make a few random criticisms of specific sections of the bill:

Title I: The so-called "Job Corps," which title I would create, would, in actual practice, serve an additional purpose: To encourage high school dropouts. Why should a discouraged young person, who is having trouble in school, continue to struggle toward graduation when the Federal Government will pay him for doing easy tasks and supposedly give him an education at the same time? However, the education he would receive would be little more than skimpy vocational training. So, not only does the program fail to hit at the heart of the matter, it would cost \$190 million for 40,000 enrollees, or \$4,700 each, for the first year. Also, the goals of the work-study program embodied in this title are already covered by the National Defense Education Act.



**Title II:** This title would allow the so-called "poverty czar" to completely bypass State and local government and pay part or all costs of any antipoverty program carried on by a public or private nonprofit organization. The implications of this title are unbelievable and all but unthinkable. Is this to imply that State and local government is no longer worthy even of consideration in matters which affect the people directly under it? On the contrary, State and local governments are better qualified to handle actions and programs in their own particular localities. And in addition, such action goes completely against the basic principles upon which this great Nation was founded.

**Title III:** The already existing Farmers Home Administration was designed to aid those promising rural citizens who need economic help for their farms. However, this title would provide up to \$1,500 in direct grants for farmers whose operations are so marginal and unpromising that they cannot qualify for FHA loans. This is nothing more than subsidization of unsuccessful farming operations and rural slums. Also, the agrarian land reform program called for in this title would be so detrimental to our economy that it has been endorsed by the Communist Party.

**Title IV:** This title would do nothing more than duplicate and overlap the program of the Small Business Administration. It may also be criticized, however, for the contradictory, ambiguous language in which it is set forth.

**Title V:** Duplication is again the key word in this title. It would allow the program's director to meddle in already established programs now being properly administered by the Secretary of Health, Education, and Welfare.

**Title VI:** It is this title which would set up the new layer of uncalled-for Federal bureaucracy with the Office of Economic Opportunity on top which would be headed by a Director and four Deputy Directors. I have already noted that such agencies called for in the bill would largely be useless duplications and that the Director, who would be given a great and undefined grant of power and authority, can be called without exaggeration a "czar" in his own right. Also, the volunteers in service to America program in this title is nothing more than a new name for the Domestic Peace Corps. It is obvious that proponents of the Domestic Peace Corps, fearing congressional rejection, are attempting to sneak it in on the tail of this omnibus bill.

I can, then, but reach these conclusions:

Although a properly conceived and properly administered crusade against poverty might well be to the benefit of this Nation, I do not feel the present bill under consideration here meets these conditions. I have studied the bill carefully in hopes that I, in conjunction with other like-thinking Congressmen, might, through a series of amendments, bring the bill around to the best interests of the Nation as a whole.

However, it is the basic approach with which I am in disagreement, as well as the apparent underlying purpose of the

bill. The idea of such a program of useless duplications being carried on exclusively by a Federal bureaucracy under the dictatorship of one man is far beyond acceptance by myself. I urge each of you today to carefully consider these aspects of the bill, for there is an alternative:

Numerous agencies and programs formulated to combat poverty in the United States are already in existence, and additional legislation is pending before Congress. The food stamp bill, for example, is designed to help keep marginal families off welfare, and at the same time reduce our enormous storage bills. The implementation of this plan will not only benefit the small merchant, but will act as a further deterrent to the squandering of welfare payments.

Let us concentrate our efforts toward making these already existing programs work, rather than initiating a completely new, costly, pie-in-the-sky plan which would provide nothing but additional cost and Federal tyranny.

Mr. YOUNG. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PUCINSKI].

(Mr. PUCINSKI asked and was given permission to speak out of the regular order.)

Mr. PUCINSKI. Mr. Speaker, last night President Johnson wrote a new chapter in American courage when he instructed the American Navy to take appropriate steps—

Mr. CURTIS. Mr. Speaker, I demand the regular order. I make the point of order that the gentleman is out of order and he should proceed in the regular order.

The SPEAKER pro tempore. The gentleman from Illinois asked for and received permission to speak out of the regular order.

Mr. CURTIS. I did not hear that and if I had, I would have objected.

Mr. PUCINSKI. Mr. Speaker, last night President Johnson wrote a new chapter in American courage when he instructed the American Navy to take appropriate measures to destroy the North Vietnam bases from which the torpedo boats were launched to make the attacks—unprovoked attacks—on two American destroyers. I think that all Americans can find a great deal of courage and hope, and certainly inspiration, in the act of our President.

I think we can also find a great deal of satisfaction in the fact that President Johnson had contacted the Republican nominee for President before he took the action, and certainly the Republican nominee joined the President in agreeing that this bold action was necessary. I think these two great Americans have served notice on the arrogant Communists not to miscalculate our American determination during an election year.

I think the action taken yesterday certainly gives the entire free world renewed hope that the United States cannot be driven too far. It particularly will give new hope to the people behind the Iron Curtain. I have reason to believe that the action taken last night by President Johnson and the heroic action taken by our Navy in destroying these North Vietnam bases will have an elec-

trifying effect behind the Iron Curtain because now millions of victims of international communism who are captives of the Communists are going to find there is hope for freedom in the world and that the United States can be driven just so far.

It would appear to me that the action taken last night by the U.S. Government in destroying these bases gives new meaning to the slogan on one of our early American flags which proclaimed, "Don't tread on me."

The notice given to the Communists yesterday is clear and concise. The U.S. Government quite properly is now waiting for further developments. The President has stated we are not anxious to escalate this into an all-out war. But neither will we permit our adversaries to misinterpret our patience.

By our decisive action yesterday, we have served notice on the arrogant jackal in North Vietnam, that we are not going to be pushed around.

I believe that all Americans can take pride in the action of our Navy. We mourn the loss of two aircraft and their pilots in this initial strike. The fact remains that these two young men have joined a long history of gallant Americans who have given their lives and have not hesitated in the defense of freedom.

Mr. YOUNG. Mr. Speaker, I have no further requests for time. I yield back the remainder of my time, and I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### ECONOMIC OPPORTUNITY ACT OF 1964

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11377, with Mr. RAINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York [Mr. POWELL] will be recognized for 3 hours and the gentleman from New Jersey [Mr. FRELINGHUYSEN] will be recognized for 3 hours.

The Chair recognizes the gentleman from New York [Mr. POWELL].

(Mr. POWELL asked and was given permission to revise and extend his remarks, and to include extraneous matter.)



Mr. POWELL. Mr. Chairman, I rise in support of H.R. 11377, the Economic Opportunity Act of 1964, a bill to mobilize human and financial resources of the Nation in a concentrated and coordinated effort to combat the sources of poverty in the United States. The United States is the richest Nation in the world, yet, paradoxically, in our midst are 35 million men, women, and children living in poverty.

The philosophy of this bill is that these people can be helped to become self-sufficient contributing members of our Nation, through education, training, and proper motivation. Such people find themselves isolated from the mainstream of our affluent society. Our poor cannot be compared to the poor in other countries where a man may function as an integral part of his community even though he may have difficulty caring for his family. Our society is such that our poor feel helpless and separate, and often unwanted.

The Economic Opportunity Act of 1964 is a comprehensive bill. It must be, for the causes of poverty are many, and the solutions must aim at these multiple causes.

Some are poor because their parents and grandparents were poor. They have grown up in homes where living on welfare is a way of life. In a recent study it was revealed that 40 percent of the mothers and/or fathers receiving aid to dependent children benefits had been reared in homes where some form of public assistance had been received at some time. The home has provided no motivation to improve their lot. They must be shown a better way of life that will help them to escape from this vicious cycle in which they are caught. For them, this bill would provide not only motivation, but training and education and, in some cases, work.

Some are poor because they have been bypassed by industrial change. These people have the motivation to work, but they do not have the special training that is necessary for existing jobs. To help them, a different approach is needed. They do not need to be motivated. They are in need of specific vocational training and in many instances basic education that will give them the degree of literacy needed to get a job in a space age society. This, too, is provided in H.R. 11377.

Some are poor because they are attempting to make a living from inadequate farms. These people may be called the "landtrapped," for they have grown up in a rural society and are emotionally unprepared to adjust to an urban society. There are three approaches that might be taken toward these people. One might do nothing, allow them to continue to live in poverty. This is an inhumane approach. One might force them to move. This would be Government intervention into the private lives of citizens. One might help them to live the rest of their days in some sort of dignity, able to care for themselves. This is the purpose of our bill.

Some are poor because the male head of the household is unemployed, disabled or nonexistent. These families face special problems. Often the mothers are unable to provide adequately for the

children. For these, work opportunities are provided. Thus, as indicated, the causes of poverty are many and the various parts of this bill aim at these many causes.

Some have said that we do not know how to identify the poor, that using a \$3,000 breakoff point for poverty is unsound. Yet the overwhelming bulk of testimony before this committee has stressed that there was no problem in identifying poor people. Far more have already been identified than can be provided for by this bill.

This bill is economically sound. Dr. Heller testified that \$4 billion is spent each year in our country on public assistance alone. It is estimated that another \$22 billion is spent because of crime. This bill seeks to reduce public assistance payments by enabling people to become self-sufficient. In addition to reducing public assistance expenditures, it is estimated that if the families now living on \$2,000 per year were able to raise their incomes to \$3,000 per year, \$14 billion additional dollars would be spent each year, creating greater commercial demands and more jobs, a strong boost to our economy.

Some argue that the bill bypasses the States. The purpose of this bill is to mobilize all resources, Federal, State, and local. Poverty is a national problem. It must be attacked on a national level and it must coordinate all existing resources. Testimony before this committee by Governors and local authorities has supported Federal participation. The Governor of Kentucky stated that many States do not have the resources to attack the problem of poverty themselves. If this problem is not attacked on a national level, the States succeeding in solving their poverty problems will be faced with the burden of a migration of the poor from other areas. Poverty is not uniform, hence the Director is given broad discretion in implementing the provisions of the bill according to the peculiar needs of the situation to be met.

He must utilize existing agencies to the maximum and cooperate with agencies both public and private, in order to give the greatest help to the most needy. Cabinet members who testified agreed that it was least wasteful to have an agency to coordinate activities related to poverty. The Economic Opportunity Act of 1964 is a bill which will stimulate our communities to initiate action designed to attack the roots of poverty. It will expand opportunities for young people to gain education, skills, and experience necessary to participate fully in our Nation's life. It will help land-trapped farmers to increase their incomes through grants and loans. It will increase employment opportunities through loans to small businesses. It will help migratory workers to overcome their particular plight. It will provide basic education to adults who need it to gain employment. It will encourage our communities to orient their programs toward rehabilitation rather than toward public assistance. It will coordinate efforts of various Federal, State, and local agencies so that this will truly be a united war against poverty.

Let us note in more detail the provisions of the bill before you.

Title I, youth programs, is aimed at young men and women unable to make use of existing opportunities to better their lot.

Part A, the Job Corps, authorizes the establishment of rural and urban residential training centers for those who are hampered by their present environment. By providing a change of surrounding, balanced educational and vocational training, useful work experience, recreation guidance and counseling, and health facilities, these people will gain the motivation and skill necessary to return them to jobs or to further training. Living and readjustment allowances are designed to instill attitudes of thrift.

Part B authorizes the establishment of work-training programs. These are designed to give to unemployed youth a chance to escape from poverty by providing them with opportunity to work and, through this work, to gain training not available in private employment or existing public programs. A major goal of this part is to enable these young people to remain in or to return to school. The target is the dropout, or the potential dropout, who will be encouraged, through work experience and financial assistance, to continue his academic training. Cooperation will be sought from the Department of Labor in an effort to gain as sponsors of the projects local public and private nonprofit groups demonstrating a desire to combat poverty. Projects will be distributed equitably among the States with an eye to locating projects in areas severely affected by poverty.

Part C authorize work-study programs. It benefits those unable to obtain existing financial aid for higher education. These programs will be coordinated with the Department of Health, Education, and Welfare, and participating institutions will be responsible for the selection of students and for the supervision of the jobs.

Allotments to States will be made on the basis of full-time college enrollment, the number of high school graduates, and the number of children 18 years or under from families with incomes of less than \$3,000 a year.

Determination of the eligibility of students will be made on the basis of need.

Part II, part A, authorizes the establishment of urban and rural community action programs.

This part represents a supreme effort to mobilize and to unify the entire Nation in a war against poverty. A large part of the inspiration will come, as it must, from the local people themselves. The Federal Government will guide and assist them to this end.

A community action program eligible for Federal assistance must mobilize and utilize resources, public or private, in an attack on poverty. It must provide services, assistance, and other activities of sufficient scope and size to give promise of progress toward the elimination of poverty, or a cause or causes of poverty. It must be developed, conducted, and administered with the maximum feasible participation of residents of the area. It must be conducted, administered, or coordinated by a public or private nonprofit agency or a combination thereof.



Programs will vary from community to community. As much flexibility as possible will be left to the communities, so long as their programs come to grips with the core of the problems and offer promise of their solution.

A formula of allotments to States is established on the basis of the number of public assistance recipients, the number of unemployed, and the number of children 18 years or younger from families with incomes of less than \$1,000 a year.

Part B, adult basic education, will enable many of the 11 million people of 22 years or more, with less than a sixth grade education, to gain literacy.

There is overwhelming evidence that these people can be educated successfully and can then obtain employment opportunities previously closed to them, and thereby become less dependent on others.

To recapture these people, grants are authorized to States presenting acceptable adult basic education plans. The programs themselves will be administered by the States.

States must continue to pay at least as much for adult basic education as they have paid in the previous year.

Title III, special programs to combat poverty in rural areas, strives to raise to a decent level the living standards of those committed to rural life, unable to adjust to urban life, and unable to benefit from existing programs of assistance to raise themselves from poverty.

Part A authorizes the director to make grants through the FHA to individuals of up to \$1,500 for agricultural purposes, and up to \$2,500 for nonagricultural purposes. This title also includes special consideration for the plight of the migrant worker and his family through programs addressed to housing, sanitation, education, and day care centers for children of migratory laborers.

Title IV, employment and investment incentives, is aimed at still another group of people unable to make use of existing programs, and capable of being returned to the mainstream of American life.

The target is very small business concerns and those qualified persons seeking to establish such concerns.

The Director is authorized to make 15-year loans to \$15,000 to these people. Programs will be administered by the Small Business Administration.

Special attention will be given to the long-term unemployed, and, to assure permanent effects, the Director may require a borrower to participate in a management training program as a condition of the loan. Provisions are made to insure repayment of the loans and to prevent duplication of any existing programs or newly created community action programs.

Title V, work experience programs, strives to build upon the successful experience of community work and training programs authorized by the 1962 amendments to the Social Security Act.

This title is geared to lift out of poverty those unable to provide for themselves or their families.

Title VI, administration and coordination, establishes the Office of Economic

Opportunity in the Executive Office of the President. The Director of the Office will be selected by the President, with the advice and consent of the Senate.

The Director will have authority to carry out the programs outlined in the bill and, with the approval of the President, to delegate any of his powers under the bill.

The intent of the bill is to utilize the Director as a coordinating body who will make maximum use of existing resources and facilities. Provision is made to insure that all Federal programs related to the purposes of the bill will be carried out in a coordinated manner.

Part A authorizes personnel and facilities to be made available to the Director and enables him to disseminate information and data. It also creates VISTA, Volunteers in Service to America, who will provide services for titles I and II of this bill.

Protection under local minimum wage laws is guaranteed to all laborers employed in conjunction with this bill, in keeping with the Davis-Bacon Act.

Part B spells out means by which effective coordination of all antipoverty programs will be obtained.

Title VII, treatment of income for certain public assistance purposes, protects those receiving assistance under this act, so that such assistance cannot be considered as income. In this way, people will not be deterred from participating in the programs for fear that their relief payments will be lowered.

Appropriations are authorized for each title for a period of 1 year. At the end of that time, the Director must gain approval of Congress for further funds—\$412,500,000 is authorized under title I; \$340 million under title II; \$50 million under title III; \$150 million under title V; and \$10 million under title VI. This makes a total of \$962,500,000.

Thus, the Economic Opportunity Act of 1964 represents a carefully designed plan to attack the many roots of poverty.

To reach out to those on the fringe of our society, it creates new programs and expands existing programs within a solidly constructed framework.

If this bill becomes law, countless men, women, and children, untouched by existing legislation, will find new hope and will become active participants in our great democracy.

Ladies and gentlemen, we are dealing with a vital matter, for human lives and the well-being of our Nation are at stake. I urge your support in passing this measure.

Question. Are State governments and State agencies bypassed by the poverty program?

Answer. No. State governments and agencies are not bypassed. Nowhere in the Economic Opportunity Act is there any provision which prohibits or inhibits any State government or State agency from taking an active part in the programs authorized. The way is open for every State government and every State agency to participate fully in the planning and administration of poverty programs under the act.

Moreover, the act contains many provisions which specifically authorize State participation or direct the Director of the Office of Economic Opportunity to facilitate effective

participation by States. These provisions include:

1. Authorization for grants to States to operate youth camps.
2. Authorization for grants to States to administer youth work-training programs.
3. Specific instructions to the Director to facilitate effective participation of the States in community action programs.
4. Grants to States to develop poverty programs or to provide technical assistance to communities planning poverty programs.
5. Aid for State plans to expand adult basic education programs, an area of traditional State interest.

Aid through State welfare agencies to broaden public assistance programs by adding work and basic education elements for unemployed parents and other needy persons.

Six Governors testified on behalf of this legislation before the House Committee on Education and Labor; not one objected to the arrangements proposed under this act. Governor Hughes of New Jersey, who is Chairman of the Committee on Public Health and Welfare of the National Governors' Conference, polled the members of that committee and found that their consensus supported the legislation. Gov. Mark Hatfield of Oregon has expressed his support. In short, the officials who are most concerned about the role of the States in carrying out the war on poverty endorsed the approach in the Economic Opportunity Act of 1964.

Question. Won't the poverty program undermine traditional Federal-State-local government relationships by setting up a new system of direct grants to local communities?

Answer. Congress has already authorized and appropriated funds for many programs in which the Federal Government gives grants or makes loans directly to communities. These include impacted areas aid under the Office of Education, and other kinds of research and demonstration projects administered by that Office; grants made by the Public Health Service and by the National Institute of Mental Health; environmental health programs; and a number of programs administered by the Welfare Administration and the Vocational Rehabilitation Administration. It also includes airport construction by the Federal Aviation Agency, most of the programs under the Area Redevelopment Administration, the greater part of grants and loans available under the Housing and Home Finance Agency, and loans under the Small Business Administration.

The budget for the fiscal year 1965 included \$1,462.9 million in new obligational authority, and \$1,385.1 million in expenditures for these programs. Clearly, Congress has already set many precedents for direct Federal grants and loans to communities.

Question. Why shouldn't the community action program and the youth work-training program be carried out exclusively through State plans?

Answer. Requiring these two programs to be carried out through State plans would impose a rigid straitjacket on two of the major parts of the poverty program. It would frustrate any action at all in most States for at least a year, and in some cases several years.

The door for State plans and administration of work-training and community action under the Economic Opportunity Act is wide open. Any State which has a State plan ready to propose can do so. Any State which wants to obtain a grant to develop a State plan can do so.

But most States do not have State plans ready to implement. To require State plans would mean that many good local projects ready to be carried out would be delayed months or years until an overall State plan was developed.



Furthermore, many States believe that the most effective way to carry out a program as comprehensive and multifaceted as the attack on poverty must be to reply on grassroots local planning with general coordination at the State level. Requiring State plans would, in effect, overrule the decisions of State and local authorities on the best way to carry out the program.

Let me make one point clear. There is nothing in this act which prohibits or inhibits State planning in any way. This act is based on the conviction that State and local authorities are the best judges of the most effective way to organize to combat poverty, and that this act should therefore provide the flexibility to support whatever kind of local programs can be gotten under way most quickly with promise of the most effective results.

Question. Will there be jobs for Job Corps enrollees after they finish this very expensive training program?

Answer. Clearly, there is no point in undertaking the Job Corps program unless there will be jobs for the graduates. Training for jobs and job placement will be the heart of the Job Corps program; therefore, in order to assure that Job Corps graduates are trained for a job which will exist and in which they can perform adequately, the Job Corps program will:

(1) carefully identify the job openings which will exist in the labor market area, including the impact of automation and technological change on employment openings;

(2) carefully plan the training curriculum so that enrollees are prepared for these jobs;

(3) match the kinds of training programs which are offered with the skills, capabilities and interests of the enrollees so that they are prepared for a job which they want and which they will have the capacity to perform;

(4) operate a placement system whereby trainees will be referred to employment opportunities with appropriate followup to assure that they get a job and stick with it.

This placement system will work to develop specific jobs in industry for Job Corps graduates. Many companies have already volunteered to make new openings for successful Job Corps graduates trained for their needs.

Because of the stimulus of the tax cut, there are now more than 2 million jobs available which did not exist a year ago. So long as our overall economy remains healthy, this four-point plan for training and placing Job Corps enrollees together with the cooperation of American businessmen will assure that the money invested in their training will yield returns in terms of production of goods and services.

Furthermore, many enrollees will not go directly into a job after their Job Corps enrollment. Many will go into more advanced technical and vocational educational schools for which they were not eligible before their enrollment. Some will go into special on-the-job training programs or apprenticeship programs and some may go on to higher education in junior colleges and universities.

Question. Is it worth investing \$4,700 per year for each Job Corps enrollee? How does this compare to the cost of a Harvard education?

Answer. Every Job Corps enrollee must meet two criteria. These are:

(1) He must need more education and training before he could qualify for a job which promises to support him and his family on a decent standard of living.

(2) It must be impracticable for the enrollee to continue his education and training in local community facilities.

Clearly, most young Americans who meet these criteria—and there are hundreds of thousands of them—have not only inherited poverty but will pass this same poverty on

to their children unless they can get an opportunity to develop their skills further. The Job Corps is this opportunity.

Without this opportunity, many of these will become public assistance recipients. Some will enter a life lived on the borders of crime and delinquency. Few will be able to contribute to our society and economy according to their full potential.

With this opportunity, most of the enrollees will stay off the relief rolls and out of the courts. Furthermore, this year's training will not only enable him to earn substantially more immediately than he would otherwise be able to; it will also open the doors to other training programs and apprenticeships of which he is not now eligible. Surveys indicate that a year or more of such training will enable enrollees to earn from \$15,000 to \$60,000 more in their lifetime than they would otherwise. This is surely a high payoff on a \$4,700 investment.

Furthermore, Job Corps enrollees will in many cases be doing work of great value to the conservation of our natural resources. To hire full-time employees to do this badly needed conservation work would be far more expensive.

And Job Corps will not be luxurious. Life in the Job Corps will be austere, with barracks accommodations and the enrollees taking care of much of their own maintenance.

And lastly, the Job Corps will provide a much more closely supervised education program for substantially less than the cost of a Harvard education, most of which is actually paid for by alumni gifts and not the student.

Question. Will not the Job Corps require thousands of teachers who will have to be recruited away from existing Federal, State, and local educational institutions?

Answer. The Job Corps will require educational specialists, but contrary to popular belief, not all types of teachers are in short supply. Referring to the publication "Teacher Supply and Demand in Public Schools, 1964," issued by the Research Division of the National Education Association in April 1964, the greatest shortages of teachers occur in elementary school positions and in certain specific subject fields in high school, such as foreign languages and science. In fact, many of the kinds of teachers which will make up the bulk of the staff of the Job Corps camps are not in critically short supply. These include teachers of social studies, physical education, commerce, agriculture, home economics, and industrial arts. Moreover, the vast majority of the staff in Job Corps camps need not be master teachers. Most will be subprofessionals working under the guidance of a few master teachers, and many will be volunteers.

Furthermore, Job Corps centers will, in some cases, be located close to educational centers where the part-time services of experts can be easily arranged for.

The Job Corps will also rely heavily on VISTA volunteers which will provide opportunities for the active retired and young college graduates to use their capabilities in a vital public service. The college work-study program will also be a source of part-time counselors and teachers who will have the combined advantage of skills plus a low-income background. This makes them particularly effective as success examples to the kinds of young men and women in the Job Corps.

Question. Will not the work-training program in part B of title I compete with and confuse existing programs?

Answer. The work-training program was planned in close cooperation with the Department of Labor and will be administered through that Department. While the work-training program is similar in some aspects to some activities under the Manpower Development and Training Act, the Depart-

ment of Labor would hardly propose undertaking a new program if it were going to compete with and confuse what it is already doing. In fact, the work-training program will be a valuable adjunct to Military Defense Training Act programs, giving broader flexibility in terms of the kinds of youths who can be reached, the kinds of organizations which will administer the programs, and the kinds of training and work which can be arranged.

Question. Won't the work-study programs in title I, part C, duplicate assistance to college students now being provided under the National Defense Education Act?

Answer. No. The work-study program does not compete with, but complements the National Defense Education Act. That act authorizes loans to students to help them pay their college expenses. The work-study program, on the other hand, would enable students from low-income families to obtain part-time jobs to help them enter into or complete their college education. Students from low-income families ordinarily cannot expect any financial help from their family to help pay the costs of a college education. Scholarships and student loans help, but earnings from a part-time job are often needed to cover heavy tuition and living expenses.

On these jobs, the students would do needed work on the college campus and in the communities near the college.

The work-study program, therefore, has two major benefits:

(1) It would allow students without financial resources to enter into or continue their college education;

(2) It would result in the accomplishment of useful work in and around the university.

In many cases, work projects in the communities near the university will relate directly to the war on poverty. For instance, college students can tutor students who are falling behind in local schools; they can work in settlement houses and urban renewal projects; and they can help education and other activities on Indian reservations and in other pockets of poverty.

Question. Isn't the adult basic education program in part B of title II identical to that contained in H.R. 5542, which is currently before the House Rules Committee?

Answer. That is substantially correct, although there are, of course, minor changes which make the adult basic education program consistent with the rest of this bill. The authority for that program was added by the House Education and Labor Committee to the Economic Opportunity Act of 1964 because it so clearly attacks one of the most basic causes of poverty. Many of the more than 20 million adult Americans with less than an eighth grade education lack the basic foundation on which to build a productive life—the ability to read, write, or perform simple arithmetic. Without these basic skills, they are destined to a future of minimum earnings, personal deprivation for themselves and their families, social dependency, and recurrent or persistent joblessness.

If title II-B is passed as a part of the total war on poverty, there will, of course, be no need for separate passage of H.R. 5542.

Question. Wouldn't title IV of the Economic Opportunity Act duplicate authority already in the Small Business Administration and unnecessarily involve a new bureaucracy in the administrative affairs of an established Government agency?

Answer. As has repeatedly been stated in testimony and in the reports of both the House and Senate Committees which held hearings on this bill, authority for the day-to-day administration of title IV loans to small businesses will be delegated by the Director to the Administrator of the Small Business Administration.



In order to insure that the program helps to fulfill the purposes of the act by concentrating on the poor, the Director will participate in the establishment of basic guidelines and operating policy, but the program itself will be run by the Small Business Administration staff of over 3,000 business analysts and credit advisers.

Under title IV, poor people will be able to obtain the credit necessary to start or expand a small business on more liberal terms than can now be offered by the Small Business Administration under their existing legislation. In addition, title IV provides explicit authority requiring management training—which is critical to the success of these small enterprises, as a prerequisite or part of the loan agreement.

Question. Won't title V permit the Director to intervene in programs already in existence and now being administered by the Department of Health, Education, and Welfare?

Answer. As has repeatedly been stated in testimony and in the reports of both the House and the Senate committees which held hearings on this bill, the authority for the day-to-day administration of title V work-experience programs will be delegated by the Director to the Secretary of Health, Education, and Welfare. In fact, the language of the bill itself authorizes the Director only to transfer funds to the Secretary of HEW to enable him to make payments for projects authorized by the Social Security Act.

The purpose of title V is simply to expand the opportunities for constructive work experience and other needed training available to people living in poverty by expanding the amount of funds available to the Secretary of Health, Education, and Welfare for experimental pilot and demonstration projects. These projects aim at helping public-assistance families stay together and at helping the heads of these families obtain the education and skills with which they can get a job to support the family.

Question. Doesn't title VI create a new Federal bureaucracy with the most sweeping and undefined grant of power to be found anywhere in the Federal Government, permitting the Director to oversee the affairs of established agencies of the Government?

Answer. President Johnson has declared a war against poverty. Victory in this war demands the mobilization of all available resources of the Federal Government. Title VI gives the Director of the Office of Economic Opportunity the minimum tools necessary to lead the Nation in combat against poverty. If the powers are mismanaged, the Congress has ample opportunity to rewrite them, for the act requires a new authorization in less than 1 year from today.

The act creates no new Federal bureaucracy. OEO's staff will be small, the minimum necessary to provide essential leadership for the war on poverty.

Existing Federal agencies will be called upon to administer the majority of the vital programs created. The work-training program is intended to be delegated to the Labor Department. The work-study, adult education, and work experience programs will be administered by the Department of Health, Education, and Welfare. The rural area programs of title III and the employment and investment incentives program of title IV will be administered by the Agriculture Department and the Small Business Administration. The Office of Economic Opportunity will operate only four programs—Job Corps, VISTA, community action, and migratory labor. Even here, the major Federal role will be review of and response to applications for grants, volunteers, and other assistance developed by and received from the local communities. Except for the Job Corps, these programs will be carried out at the

local level with locally employed staff personnel.

The bill provides the Director with a mandate to assist the President in coordinating the antipoverty efforts of all Federal agencies. This mandate is central to victory in the war on poverty.

The Director will be directly accountable to the President and to Congress for making sure that the war on poverty is carried out effectively without duplication and overlap. This is consistent with the basic principle of administration to pinpoint responsibility, not diffuse it.

The provisions of title VI are carefully drawn to give the Director specific powers needed to perform his role. He may call upon other Federal agencies to supply data, reports, and other materials so that he may keep informed of the direction of their programs and efforts, and, where necessary, suggest ways to make those programs and efforts more effective in the war on poverty.

Finally, the President is authorized to direct that particular Federal programs and functions be carried out, insofar as not inconsistent with other applicable law, in conjunction with or in support of the programs authorized under this act. This provision merely emphasizes the President's ever-present duty of seeing that the laws enacted by the Congress are carried out in an effective, efficient, and coordinated way.

The provisions of title VI of this bill represent, in my judgment, a responsible answer by the Congress to the oftheard claim that Federal programs are overlapping, inconsistent, and uncoordinated. We are here charging the President and the Director of OEO with a most arduous responsibility of pulling together all the activities of the Federal Government, insofar as consistent with law, in an efficient, effective attack upon poverty. The tools provided in the bill in title VI are no more than adequate to this high purpose.

Question. Has this bill been hastily assembled?

Answer. No.

A partial list of leaders consulted by Mr. Shriver includes: 21 leaders of education and civic groups, 31 leaders in business and agriculture, 11 State and local officials, and 12 labor leaders.

In addition the following Government officials participated: seven members of the Executive Office of the President, one member from the Department of the Treasury, one member from the Department of Defense, four members of the Justice Department, three members of the Department of the Interior, seven members of the Department of Agriculture, seven members of the Department of Commerce, five members of the Department of Labor, and five members of the Department of Health, Education, and Welfare.

Included in the above list are: The Director of the Bureau of the Budget; the Assistant Secretary of the Treasury; the Deputy Assistant Secretary of Defense; the Attorney General; the Secretary of the Interior; the Secretary of Agriculture; the Secretary of Commerce; the Secretary of Labor; and the Secretary of Health, Education, and Welfare.

In addition, the Chairman of the Civil Service Commission, the Administrator of HHFA, the Director of Selective Service, the Administrator of SBA, and the Deputy Council General participated in the planning of this legislation.

A 17-man task force, drawn from 8 different agencies, has worked exclusively on the poverty legislation.

The Committee on Education and Labor held 20 days of hearings and heard testimony from 112 different witnesses, and was in executive session for 8 days.

The committee staff provided the members with one of the most comprehensive studies

of poverty in existence, a 300-page print entitled "Poverty in the United States," which was developed in cooperation with research specialists from 17 Federal departments and agencies.

Question. Why is it necessary to include women in the Job Corps?

Answer. In 1950 6 percent of all families with children were headed by women. In 1960 this figure rose to 7½ percent. In 1962 this figure rose to 8¼ percent. It is obvious that many women must be trained to support their families.

Furthermore, in 1962 the average mother-family, with the same number of children as a husband-wife family, earned only 40 percent of the income of the husband-wife family.

In 1961 there were 2.3 million mother families with incomes of less than \$3,000.

The Department of Agriculture consigns about 71 percent of mother-child families to low income class.

Statistics show that homes with many children are apt to have lower family incomes than those with few children.

Data on high school graduates show that almost as many girls as boys drop out of school. It is estimated that almost 1 million children drop out of school each year.

Question. Will the Director be besieged by irrelevant requests from various private organizations, in conjunction with the community action programs?

Answer. This is safeguarded by language in section 202(a)(2) which limits Federal assistance to programs of sufficient scope and size to give promise of progress toward the elimination of poverty.

Section 205(a) further limits assistance to programs designed to carry out purposes of this part.

Sections 205(b) and 205(c) provide further guidelines to enable the Director to weed out irrelevant programs.

Question. Will title IV, by lowering credit requirements, enable unreliable people to get loans?

Answer. The criteria used in giving loans will be: (1) character, (2) management abilities, (3) earnings, and (4) credit record.

Eugene Foley, Director of the SBA, cited the Small Business Opportunities Corporation in Philadelphia. This was a cooperative effort of prominent businessmen, city officials, the Philadelphia Fellowship Commission, Drexel Institute of Technology, ARA, and SBA.

This project has been exceedingly well received and has received major impetus from the local business community. It uses the same criteria for giving loans as proposed under title IV of this bill.

In addition, an independent group in New York, called the Interracial Business Committee, provides this type of assistance. This group is cochaired by Harvey Russell, vice president of Pepsi Cola, and Rodman Rockefeller, vice president of International Basic Economy Corp.

In light of the support from the leaders of the business community for this type of program, it is safe to say that lowering credit requirements will open opportunities to more people without increasing the risks.

Question. Hasn't poverty as a problem in the United States been greatly exaggerated?

Answer. In the last 4 months, more than 100 witnesses have testified before congressional committees. An overwhelming consensus of these witnesses has been that the time has come for a national commitment to eliminate poverty. To many, no further proof is needed beyond the fact that 35 million Americans, including 12 million children, face a future clouded by poverty and lack of opportunity for education, training, and a decent job. Even the Republican Party platform accepts this principle.



Mr. Chairman, in addition to my prepared remarks, which will be printed in the RECORD, which I have furnished to each Member of the House through the mail this morning, I wish to say that this is the most important piece of legislation before this Nation today.

Thirty-five million Americans in this affluent society live on the poverty line or below. It is estimated that it costs the average American family \$4,700 a year minimum to live according to the American standard of living and cost of living. The poverty line, therefore, is far less than what it should be. The poverty line we have chosen is \$3,000 a year per family, or less.

Two million five hundred thousand American citizens right now are living in families which make \$990 a year or less.

This is not a local problem. This is not a problem which can be dealt with by private resources. This problem can only be attacked on a massive national basis with the Federal Government spearheading the effort.

Anyone who says that this committee did not spend time in deliberations is not telling the truth. In my 20 years in this body, Mr. Chairman, serving on many committees, I have never seen any committee spend as much time in deliberation, in hearings, and in writing up a bill as this Committee on Education and Labor has spent on this particular legislation before us.

I want to pay a special tribute—and I do this with the authorization of the full Democratic caucus committee—to the staff headed by Dr. Wolfe for the overtime they have put in day after day. They have been working on this bill since March 17.

I do not know how any man or any lady in this body can vote against this bill and go back and face the people in their area, because even those who come from the wealthiest type districts, such as my distinguished colleague from New Jersey represents, still do have people that are on the poverty line.

This bill will save this Nation \$11 billion in welfare payments now being made by city and State governments. One billion dollars may sound like a lot, but it is like pennies when you compare it to the money we are sending abroad at the rate of \$3 billion plus a year and when compared to the \$46 billion plus we have allocated for our Defense Establishment.

This bill will save money. I do not know how anyone, I repeat, can face their voters, even though they come from a district where the vast majority may be wealthy and above the poverty line. I do not know how they can face their conscience. Thirty-five million Americans are in need of this bill today. I say that this Congress now has before it the opportunity to act morally, in the great Judeo-Christian traditions of our Nation. It is a moral obligation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POWELL. Yes. I yield to the gentleman from Iowa.

Mr. GROSS. Now the gentleman says there are 35 million people living in pov-

erty, and the gentleman from Indiana [Mr. MADDEN], a few moments ago, said there were 38 million people living in poverty. Now which is it?

Mr. POWELL. I will say one thing. When you get around to those figures, it does not matter which it is.

Mr. GROSS. Oh.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I am very glad to yield to my distinguished colleague, a member of the committee, the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. I wish only to clarify what legislation the chairman is talking about, and I say that in all seriousness, because I have read the remarks which he did distribute among the Members and which I understand he has placed in the RECORD, referring to the debate on H.R. 11377. Among the points made on the very first page of those remarks as distributed is the statement that there will be a "veto power which can be exercised by Governors on the establishment of Job Corps camps in their States" and the statement that "a veto power which can be exercised by Governors over community action programs administered by private nonprofit organizations."

Is the gentleman referring to the bill reported by our committee and which is before the House at this time, or is he referring to some other piece of legislation?

Mr. POWELL. The gentleman from Michigan asked a very, very precise question, and the gentleman from Georgia, who will offer the bill, will answer your question.

Mr. Chairman, I now yield to the gentleman from Georgia such time as he may desire. The gentleman from Georgia [Mr. LANDRUM].

(Mr. LANDRUM asked and was given permission to revise and extend his remarks.)

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. For a question?

Mr. GOODELL. Yes. I would like to request, just for the record, since the question was asked just prior to the gentleman from Georgia taking the floor, if he would direct his initial remarks in answer to the question of the gentleman from Michigan [Mr. GRIFFIN].

Mr. LANDRUM. I did not hear the question and I do not now intend to yield for that purpose; I shall later.

Mr. Chairman, this Congress, coming to the consideration of the Economic Opportunities Act of 1964, has the most glorious opportunity it has had since I have been privileged to be a Member to marshal its resources, moral, spiritual, intellectual and financial, for the purpose of removing from this land of plenty a condition which is threatening the very structures of our foundation. This bill announces the policy of the United States to eliminate poverty in the midst of plenty, the paradox of poverty in the midst of plenty. That alone is worth the consideration and all the time that we have given to this subject.

The mere authorization of slightly less than \$1 billion is of no consequence compared to the announcement that it

is now our policy to marshal and mobilize all of our resources, moral, spiritual, intellectual, and financial, to challenge a condition, a disease, that as I said a moment ago is eating at the very substance of our society.

Poverty—what is poverty? Poverty, to my mind, is this: a condition which prevents an individual or a group of individuals from enjoying the full benefits of citizenship and which likewise prevents him and them from participating in the full responsibilities of citizenship.

That is poverty. There is in my judgment no dollar level at which you can establish poverty as such. But there is a level at which you can establish whether a man or groups of men are able to enjoy the full benefits of American citizenship and, likewise, able to discharge the full responsibilities of citizenship.

Mr. Chairman, someone has said in the lampooning and the ridiculing and the cynical statements that have been made about this legislation that poverty has been with us for all the ages. Truly, it has and perhaps it will be with us for many years to come.

But in the frontier days in American history we learn, if we have not read it before that poverty was once spread out over the land.

Mr. Chairman, when we were boys and when our forefathers were boys poverty could be dealt with on an individual or small group basis. The family could pick up and move to a new frontier. Land opened and opportunities were available. However, not much education and training required. But down through the years we have reached a state of civilization and of development in this country where that is no longer possible. The frontiers such as existed for our forebearers and for us as young men simply do not exist any more.

Mr. Chairman, we have a condition developing with the accumulation of large segments of our population in our urban centers that was recently portrayed in one of our leading publications in a cartoon showing a beginning with slums and then a step into hopelessness, then frustration, resentment, and violence, with the only ultimate result, anarchy.

Mr. Chairman, that is what we are faced with today. We are dealing with social dynamite. When we decline to recognize it, we blind ourselves to our own self-destruction.

Mr. Chairman, Euripides, one of the great philosophers, had his definition of poverty.

Poverty—

He says—

possesses this disease; through want it teaches man evil.

Mr. Chairman, that is the subject with which we are dealing today.

Now, I have told you something about what I think we are dealing with. How do we propose to approach this problem? First, as I stated, by simply announcing to all of our citizens and to the world that whatever resources we have are



being here mobilized with authority to attack this disease at its roots.

Heretofore we have treated this subject in a benevolent and charitable manner.

We have dealt with it on the basis of its consequence. We propose here to deal with it on the basis of its causes. We propose to go to the roots of it.

How? First, by the establishment of a job corps to take care of the very people my distinguished friend from Virginia, our beloved Chairman of the Rules Committee, said would be enrolled. People who have not finished high school, and who, according to local authorities, have little prospect of finishing high school. That is true. That is what the bill provides.

We propose to provide a type of training to those who will volunteer for this program that will prevent them from becoming an adult subject of poverty under the definitions I have described. Incidentally, I would like to say at this point that at the appropriate time in the proceedings I shall offer as a substitute for the House bill the bill recently passed by the other body with certain amendments, one particularly to expand the authority of the Governor of a State to veto the launching and the carrying out of a program under this legislation and one likewise to prevent any funds appropriated under authority of this bill from accruing to the benefit of political parties.

The Job Corps, simply and briefly, will do this: It will provide basic educational opportunities, vocational educational opportunities, in the hope that we may provide these youngsters with some skill salable in the labor market today.

One of the most conservative economists in the whole of this country, Dr. Lawrence Lockley, of the School of Business Administration, University of Santa Clara, Calif., had this to say about the Job Corps:

If we can institute a Job Corps which will contribute the basis for establishment of literacy and the acquiring of salable skills, then let us be up and at it.

That is exactly what we propose to do with the job corps, and, mind you, the Job Corps will have only volunteer enrollees in it. There will be no compulsion, no conscription, no draft—solely a voluntary proposition.

Likewise, we provide in the first title of the bill a work-training program designed to reach some of these who are on the verge of becoming dropouts, who are on the verge of being classified by the local authorities as one for whom additional training in the public schools or local institutions is not practical or feasible.

That is the requirement under the bill. We propose to try to reach those through a program administered by the Department of Labor in order to help them acquire a high school education and be equipped to go on and take training in the vocational and industrial schools.

You know, it requires today in order to enter and pursue successfully a course of study in a vocational school a literacy level above the eighth grade. In

most instances a high school education is required.

Continuing briefly with the last part of title I, we have a work-study program. In this country today there are thousands of young men and women who complete their high school education and have the necessary mental qualifications to meet the entrance requirements for the college or institution of higher learning of their choice, but they cannot meet the financial requirements, and oftentimes because of this despondency develops and drifting results. So we have provided here a work study program, to be run how? By the institution where that child from a low-income family wants to go, through the channels of the institution management, the funds being supplied for the first 2 years 90 percent, and following that, under the Senate bill which we propose to offer as a substitute, 75 percent.

Likewise there can be an opportunity to work off campus in jobs approved by the institution participating in the program. Is there any welfare dole in that? Is there any reason whatever why we should not feel with such a program that we are doing as we are called upon to do by all the lawgivers of the past, marshaling our resources and developing them so that we can bring forth the best in this land?

This title I provides that none of these Job Corps camps or residential training centers can or will be established in any State until a plan for one has been presented to the Governor of that State, and within 30 days from the time it is presented he has disapproved of it. We propose to include that in our substitute.

Mr. Chairman, the next title is Title II: Urban and Rural Community Action Programs. This is designed to assist in removing the obstacles to educational and cultural advancement in rural and urban communities. For this we propose to mobilize through local organizations all of the local resources we have to try to remove from the communities the condition that is threatening, as I said a moment ago, our entire structure.

In this community action program, the other body adopted an amendment which provides, similar to the provision I have just recited with respect to title I, that no community action plan, no contract shall be entered into between the director of this new agency and a community organization until that plan has first been submitted to the Governor of the particular State, and he has not within a period of 30 days vetoed it.

We propose to amend in our substitute that provision and include not only the provision that contracts with private institutions and agencies shall be submitted to the Governor, but that contracts also with public agencies carrying out these programs be submitted to the Governor and not become effective in a State unless the Governor has not within 30 days vetoed such plan or contract.

How much more local control can you provide? What else is there to be done?

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield so that I can answer these questions?

Mr. LANDRUM. I am not asking the gentleman for an answer.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. Mr. Chairman, I do not yield.

Mr. FRELINGHUYSEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eighteen Members are present, a quorum.

The gentleman from Georgia is recognized.

Mr. LANDRUM. Mr. Chairman, to move quickly and briefly into the other parts of the bill, because I do not want to consume too much time, the next title is title III of the bill which we propose to offer as our substitute provides for loans of up to \$1,500 to be made to families who cannot now meet the requirements of other Federal loan programs and provides likewise for an additional \$2,500 loan to farm families for other than agricultural enterprises provided, of course, they meet the requirements that there is reasonable expectation that the loan can be repaid and that the loan will increase the income of the recipient.

The Farmers Home Administration will administer that.

Moving now to the next title. Title IV will be covered by various members of the committee.

We have liberalized the lending authority of the Small Business Administration. Under the House bill \$15,000 was the limit, but under the bill that we propose to offer as a substitute that limit is placed at \$25,000 for the Small Business Administration to enter into loan agreements with small businesses with the particular understanding that these small businesses so helped will be able to participate directly in the success of a community action program in the area where the loan is made.

Title V proposes to establish work experience programs to restore to unemployed persons job skills which they have lost or to provide them with new job skills so that they may be able to find employment.

Title VI deals entirely with the administrative setup of the bill and establishes the Office of Economic Opportunity, with a director, one deputy, and certain assistant directors. It authorizes and directs the new director to deal through all of the various agencies of the Government who will be assisting in the promotion of this.

Now, I should like to talk briefly about some of the reasons why I feel so strongly we ought to pass this bill.

This will not be an expensive program. This will be the most conservative social program I have ever seen presented to any legislative body. There is not anything but conservatism in it.

The cost to this Nation today for public assistance alone is \$4,331,934,000. The State governments pay into that \$2,626,967,000. That is the direct cost. That is the cost we can measure as being paid out to people who are making no contri-



bution whatever to our government and very little to their own happiness.

The indirect costs—in courts, criminal prosecutions, incarceration of prisoners and administration of juvenile programs—are estimated to run between \$20 billion and \$25 billion a year.

Let me give a few examples of various States and what costs are involved. To show that I am not prejudiced, I will start with my own State of Georgia.

Mr. TEAGUE of California. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 205]

|                |               |                |
|----------------|---------------|----------------|
| Alger          | Evins         | Miller, N.Y.   |
| Auchincloss    | Finnegan      | Murphy, N.Y.   |
| Avery          | Gilbert       | Norblad        |
| Baring         | Green, Oreg.  | Passman        |
| Barrett        | Hanna         | Pillion        |
| Bass           | Harvey, Mich. | Randall        |
| Beckworth      | Hébert        | Rivers, Alaska |
| Bennett, Mich. | Hoffman       | Rumsfeld       |
| Bolling        | Hull          | Sheppard       |
| Buckley        | Jones, Mo.    | Shipley        |
| Clark          | Kee           | Shriver        |
| Corman         | Kilburn       | Sisk           |
| Davis, Tenn.   | Kirwan        | Smith, Calif.  |
| Diggs          | Lankford      | Thompson, La.  |
| Dingell        | Lennon        | Toll           |
| Duncan         | Lesinski      | Wallhauser     |
| Everett        | Lloyd         | Wharton        |

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11377, and finding itself without a quorum, he had directed the roll to be called, when 382 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, as I was stating before the quorum call, I want now to deal with some statistics, some of the real necessities for this effort. I know statistics are dry, but when statistics are given with a combination of facts, as I have them here, to me they come alive, and in coming alive they become shocking.

I cannot understand how any person seeing these statistics, realizing that they exist, can say other than I said a moment ago, that this is the most conservative legislation ever offered to deal with the subject of education and welfare. Listen as I start with my own State.

In Georgia last year, 1963, we spent \$96,445,000 on public assistance and 77.7 percent of that came from Washington.

Alabama last year spent \$109,267,000 on public assistance and 76.9 percent of that came from Washington.

California spent \$657,752,000 and 4 percent, I believe, came from Washington.

These statistics mean nothing until they they are associated with additional statistics.

In Georgia we have 142,000 boys and girls under 18 years of age living in families with less than \$1,000 a year income.

In Alabama we have 165,000 such children.

In North Carolina last year, 1963, \$82,567,000 was spent on public welfare and 77.1 percent of that came from Washington.

In North Carolina there are 216,000 young boys and girls under 18 years of age living in families with less than \$1,000-a-year income.

Now that likewise is meaningless unless you put it with something else.

If our aim here was only to add another layer of icing on an already heavily coated welfare cake, then we would be wrong in every essence of this bill. But that is not our aim. What we propose to do is to try to upgrade the quality of these young men and young women so that they can meet the requirements of the modern day employer and add to their family income.

Why is it important that we do that? Listen to this statistic. Do you know that 40 percent—40 percent of the heads of families where these children are—and that is the figure across the Nation and I have just picked out a few States on which I have given you these figures—40 percent of the heads of these families were themselves children in families drawing public welfare. What then do we have? We have an ever-increasing cycle of a child of poverty becoming a parent of poverty. We have had that cycle increasing until it is threatening to become one of the largest single items in our budget.

The aim of this bill is to start that cycle on a diminishing turn and to hope that we can give these boys and girls a skill that will help them learn—a skill that will allow them to become taxpayers instead of tax eaters.

I gave you the statistics from Georgia, North Carolina, and from Alabama. I could give you similar figures for all the States.

Listen to these figures from some of the cities. The statistics I gave for the States were for 12 months. These next I shall recite are for 1 month, for December 1963.

Cook County, Ill.—Chicago—spent \$14,124,114 on public assistance; \$12,562,127 of that came from Washington.

New York City, composed of five counties, spent \$29,670,485, and \$27,514,582 of it came from Washington.

This means to me that money from Jasper, Ga.; from Biloxi, Miss.; from Waycross, Ga.; from Birmingham, Ala.; from Tuscaloosa, Ala.; from every town and hamlet in this country is involved. To pay for what? For a dole, for a handout to people who cannot and do not make any contribution to this society whatever because they are devoid of a skill with which to make a contribution and with which to make a living.

It is said that we ought to stop all of this welfare. Members go home and preach against the everlasting growth of this welfare roll.

What we fail to recognize is that these youngsters under 18 years of age in fam-

ilies now earning less than \$1,000 a year themselves are going to Chicago, New York, St. Louis, Los Angeles, Philadelphia, and Atlanta.

To show that I am not prejudiced, I will recite some figures with respect to Atlanta and Fulton County, where we have spent tremendous sums. In Fulton County, Ga., last year, in December—we are dealing with December 1963—\$956,106 was spent on public assistance; \$904,116 of it came from up here.

Let me pose a question for your consideration. What could we have done in the public schools and in the vocational and trade schools with only half that sum? How near could we have come to meeting the demanding needs for new instructional materials, new buildings, and better qualified teachers if we had had only half that sum?

Moreover, how much more could we meet the demands and obligations of a 20th century citizenship with the group of people who receive these benefits able to make a contribution, satisfied in comfortable homes, working with skills to earn livings for their families.

Secretary Wirtz made the statement before our committee that more than 53 percent of the draftees from New York City were unable to meet the requirements of the Selective Service law.

What sort of a problem does that pose? Does it give you any pause, that these human beings are reproducing in their own images?

Are you concerned that the frustration may develop into violence and anarchy? Surrounding you, at the top of the ceiling, are the medallions of the lawgivers of the ages. Sandwiched in between two of the great ones, Jefferson and Mason, you find etched into stone the words of Daniel Webster saying, as you look at them daily, you, as Members of this body, do something to call forth the resources of this land; do something to develop its powers; do something to promote its general welfare; do something so that you and I may be remembered for what was accomplished in our day and time.

That is what this bill is. This bill is nothing more or less than an education and training bill designed to marshal and call forth our resources, as I said at the outset—the moral, intellectual, spiritual, and financial resources—to rid this country of a condition that makes us somewhat like Prometheus myth, where in a land of plenty we may be eating our own livers and congratulating ourselves on a good meal.

Never in my experience in this Congress has such an array of witnesses appeared before the Committee on Education and Labor as appeared in behalf of this legislation. From all levels of the Government, the Cabinet and below the Cabinet level, the labor, the social workers, and the educational leaders, and finally a panel of businessmen composed of Tom Nichols chairman of the executive committee of the Olin Mathieson Co., Mr. Virgil Martin, president of the Scott-Pirie-Carson department stores in Chicago, and Mr. Ralph Besse, president of the Cleveland Electric Illuminat-



ing Co. In essence their combined testimony was this: You gentlemen, trustees of the people, are charged with the responsibility of doing something, being made aware of a condition, and being responsible for removing the condition, just as we as officers would call our stockholders and our board of directors together if we were confronted with a condition such as confronts you in many of our cities in these United States, and we have to take whatever steps are necessary or else our business would not survive. You are the trustees of the people, they say. It is your job to see, and now that you are aware of the condition, it is your responsibility to see that those resources are marshaled to go to the causes and the roots of the condition and remove them. We have the information. We have the technical know-how. We have the financial resources to combine with the cities and the States and the towns of this Nation.

And I say that we as Americans today have the willpower and the determination to do it. And I believe this Congress is going to give this legislation an overwhelming vote of victory when the final vote comes.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. LANDRUM] has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. Mr. Chairman, I yield myself 1 additional minute.

Mr. FRELINGHUYSEN. I am not sure that I can even ask my question in 1 minute.

Mr. LANDRUM. I am not, either.

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to ask the gentleman from Georgia just what the nature of the substitute which is to be proposed will be. I should like to ask if and when the rank-and-file Members of the Congress are going to be given the opportunity to see its contents. It is of interest that so far we are not debating the bill that was reported out of the committee, in spite of this impressive array of witnesses, and in the length of time taken by our committee.

Mr. LANDRUM. I have your question, and if you want me to answer, I will take the time to answer it.

Mr. FRELINGHUYSEN. I should appreciate it.

Mr. LANDRUM. As you have been, I have been a Member of this Congress for 12 years. I have always found it easy to procure a document passed by the other body. I know of no reason why that has not been available to you. It has been available to me. The bill which we propose to offer as a substitute to the bill under consideration is the bill passed by the other body. We propose to add an amendment to the so-called Smathers amendment, in which the Governor is given the power to veto a plan or a contract with a private organization within his State. We propose to expand that Smathers amendment to include public agencies, also. Beyond that there are no substantive amendments except one, I believe, will be proposed, to insure that no proceeds under

this bill will go to the benefit of political parties.

Now, as to when you may have it available, I would think that you could settle that question yourself.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield.

Mr. POWELL. There are several hundred copies in the pages section now.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself 15 minutes.

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Chairman, this debate has already indicated that my suggestion that the House be allowed at least 8 hours to discuss the contents of this bill was a wise one. One member of the committee has taken 44 minutes, and yet was able only to find the time to yield 1 minute for questions, even though many other members of the committee would like to have asked questions of the gentleman from Georgia. Thus we can see the kind of predicament we may be in.

It is somewhat difficult for me to know where to begin. We do not yet know for sure just what it is that the House is going to be asked to vote upon. Neither do I, at least, know just what the parliamentary situation would be if a substitute were offered and if it were to be accepted.

Perhaps, I should address a parliamentary inquiry to the Chair.

Mr. Chairman, if a substitute along the lines proposed by the gentleman from Georgia were to be offered, and if it were to be accepted, would the parliamentary situation be such as to allow any number of additional amendments with respect to the legislation? Or would we be sharply curtailed in what further changes might be made on the floor?

Mr. Chairman, I am not sure I have made my question clear, but I shall be glad to rephrase it if the Chair so desires.

The CHAIRMAN (Mr. RAINS). The Chair understands the parliamentary inquiry.

If a substitute were to be offered there would be opportunity to amend the substitute.

Mr. FRELINGHUYSEN. There would be an unlimited opportunity to amend the substitute, but after a vote on the substitute no further amendments would be allowed? Is that the case?

The CHAIRMAN. If it were adopted; that is correct. You would have an opportunity to amend the substitute.

Mr. FRELINGHUYSEN. Of course, this situation emphasizes the importance of every Member being aware of the change in the nature of the bill we shall be considering, and presumably amending, Friday or perhaps late tomorrow.

Mr. Chairman, it comes as no great surprise to me that the bill passed by the Senate should be the point of departure, with some further changes to be offered by the gentleman from Georgia. The committee bill is obviously too weak; in my own opinion the Senate-passed bill is no better.

Mr. Chairman, I have had access to the Senate-passed bill, but I do think we might have had an understanding about what changes were to be proposed before we reached this stage of the debate.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Washington.

Mr. WESTLAND. I have been real interested in what the gentleman has said and what the gentleman from Georgia [Mr. LANDRUM] has said, that we are not going to consider this bill H.R. 11377.

Mr. Chairman, I have had this report on my desk and I have studied it at some length, trying to make myself aware of just what is contained in this legislation.

Now, do I understand that this is not what we are going to consider, but that it will be the Senate bill?

Mr. FRELINGHUYSEN. The gentleman is quite correct.

Mr. WESTLAND. If the gentleman will yield further, I presume that many other Members of the House have spent some time studying this report, but this bill is not what we are going to vote on?

Mr. FRELINGHUYSEN. I might say to the gentleman that his time has been wasted. We shall have discussion on another bill, which involves changes in titles I, II, and III, and presumably all other titles.

We will have no adequate consideration of this new bill. So far as I can see, for example, there will be no opportunity to discuss the significance of the proposed veto power of the Governor in the Senate-passed bill, or the changes yet to be proposed in that language.

Mr. WESTLAND. If the gentleman will yield further, can the gentleman tell me when the decision was made not to consider this bill on which this committee has spent months, but to consider some other bill that comes from the other body?

Mr. FRELINGHUYSEN. My guess would be—and I might say to the gentleman I have no way of knowing how the proponents have been handling this—that the leadership is afraid that the bill as proposed by the committee would be defeated. They recognize the necessity of making many other changes, which still are not available to the rank and file, even though a vote is imminent.

In my opinion, this is an effort to buy support in the form of votes.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I might say that I shall be glad to yield to the gentleman from New Jersey [Mr. THOMPSON]. I admit our time is equally precious, but I would be glad to yield. We need a discussion between the proponents and opponents of this bill at some point during its consideration.

Mr. THOMPSON of New Jersey. If my colleague from New Jersey [Mr. FRELINGHUYSEN] is worried, as is he is wont to be, about this, I would like for one of our colleagues to take and hand to the gentleman the bill, S. 2642, which was passed by the other body, and the com-



mittee print. There are several hundred copies of them available for all the Members of the House.

We could consider all the members of the Committee of the Whole House on the State of the Union peers rather than some rank and file.

The gentleman will note in the comparative print that except for the Smathers amendment on a substantive level, there are relatively minor changes.

Mr. FRELINGHUYSEN. The gentleman has enlightened me sufficiently. I have already said that I have a copy of the Senate-passed bill. However, there was no indication until now that that bill would be the basis for our consideration, and not the bill passed by the committee.

This strikes me as an odd parliamentary situation.

Mr. THOMPSON of New Jersey. If the gentleman will yield further—

Mr. FRELINGHUYSEN. If the gentleman has something to say.

Mr. THOMPSON of New Jersey. If the gentleman has a copy of it, he is familiar with the proposal as the ranking member of the committee.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield further?

Mr. FRELINGHUYSEN. I yield to the gentleman from Washington.

Mr. WESTLAND. I think the gentleman from New Jersey [Mr. THOMPSON] and perhaps the minority members of the committee may be well aware of what is contained in the Senate version of this bill. However, the Members of the House of Representatives have been trying to study what came out of the Committee on Education and Labor. Now you throw them a curve and say you are not going to handle this bill at all.

I have been studying the House bill, not the Senate bill. I think it would be a good thing if the House were to adjourn now and go back and study the Senate bill.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Pennsylvania.

Mr. DENT. I might say the gentleman from New Jersey did not protest, the same gentleman will offer the substitute here, the labor bill, the so-called Landrum-Griffin bill. There was no protest on the Republican side that you did not have time to study it, but you fell over each other voting for it. At that time you did not know what was in the bill, why be concerned about this?

Mr. FRELINGHUYSEN. That answer is easy. There was a knowledge on the part of those in favor of the Landrum-Griffin bill as to what the contents of that bill were. There was no knowledge that the proponents of the committee bill were going deliberately to abandon it during debate on the bill. The proponents admit, and recognize, that the bill as reported by the committee could not be favorably considered by the House.

This is the point we were making over a period of 4 months; namely, that unless changes were made in the bill the bill did not justify support. On that point I feel just as strongly today as ever. So far as I have examined the changes made by the Senate bill, I do

not think it changes one iota my objections to the proposals originally recommended by President Johnson.

Mr. Chairman, there are occasions which transcend routine business or even the more important work of this body. There are occasions when political differences are laid aside when, in the broad national interest, the judgment of this great body is exercised with the special courage of the independent mind. On such occasions this House rises to greatness.

Mr. Chairman, this bill, H.R. 11377, presents us with just such an occasion. We all know that this bill is in reality the President's bill. We all know that without such sponsorship no such bill would have been introduced by the gentleman from New York [Mr. POWELL] and the gentleman from Georgia [Mr. LANDRUM]; that no such bill would have been considered by the Committee on Education and Labor; and that it could not on its merits reach this floor or have any chance of enactment.

Unfortunately, the bill which the President seeks so earnestly is unsound and unwise. For that reason, regardless of our political affiliation, we must have the special courage to reject the demand that it be enacted.

We must reject this bill out of concern for those Americans who endure poverty, because the bill is not addressed to solving any of the basic causes of poverty. We must reject it in our concern for the orderly administration of 42 Federal antipoverty programs, identified by the Secretary of Health, Education, and Welfare, because this bill overlaps, duplicates, or interferes with these programs. Finally, we must reject this bill because it is absolutely contrary to every sound principle we have developed in the establishment of Federal relations with State and local government, and with private organizations and individuals.

This bill is the furthest extension of Federal authority and centralized power which has ever been proposed by any national administration in this century.

The President in his March message referred to the need for "local plans calling upon all the resources available to the community." This bill does not seek such places.

The issue before us is not whether we support measures for Federal-State efforts, locally administered, to combat poverty, because we have approved such programs in every major sphere of social and economic concern. According to the Bureau of the Budget, these programs have a combined annual cost of \$32 billion in Federal funds alone.

The real issue before us is whether we approve and endorse—in the guise of a war on poverty or for any other reason—a massive, unbridled extension of Federal authority into the public and private affairs of every community in this country. We must decide whether or not to approve an extension of Federal power with no semblance of meaningful responsibility, direction, or participation by State and local government.

Mr. Chairman, the truth of what I am saying is plain and clear in almost every

line of this bill. The issue is a mindless, needless, dangerous centralization of power. To conservative Members of both parties, let me say that centralization is so embedded in every section of this bill that no process of amendment on this floor can root it out; no kind of veto power at the State level can put into this bill the kind of State and local responsibility that is found in almost every other Federal program. The character of this bill cannot be disguised by any face-saving device that has not been attempted already.

Mr. Chairman, it was over 20 weeks ago—on March 16—that President Johnson submitted the recommendations contained in the bill now before us. At that time he urged a "national war on poverty," with our objective "total victory." Just what he meant by this is not yet clear. If it was a way of dramatizing that the poor have problems, he may have made a good point. If he was asserting that his specific recommendations, contained in the poverty package now before us, would achieve total victory, he was on less sure grounds.

In any event, hearings on the President's recommendations began in the House Committee on Education and Labor on March 17. Some 1,700 pages of testimony were the result, and the bill now before us could be called the product of these hearings. This bill, however, as this discussion today has revealed, is in no sense the end product. It has too many weaknesses—despite frantic efforts by its proponents—to be accepted as it is. Some 47 technical amendments must be made to correct errors overlooked in the rush to bring forth a bill. In addition, it has been rumored and is just now confirmed that other changes, many major in character, are to be proposed.

Let me make my own position clear. I am against poverty. I agree with Euripides that poverty is evil. I feel help should be given to those who need it, as help has been given since our Nation was founded. In this Nation's continuing concern for the less fortunate, the Federal Government has, and has always had, an important role to play. To define that role, and to strengthen the ways in which we in Washington can appropriately help, is of course an inescapable responsibility of Congress.

Let me also make clear, however, that I am unalterably opposed to the bill before us. I say this with regret, because I feel our committee might have offered constructive suggestions, deserving of wide report. I am convinced that the provisions of this bill are unwise; to pass such a program might jeopardize major ongoing programs, both public and private. Passage of this poverty package would accomplish little except to set up still another unneeded Federal agency with virtually unlimited authority to spend in a single year almost \$1 billion as a new "poverty czar" may see fit.

I am speaking now as a legislator, Mr. Chairman. I shall give more details in a moment in explanation of why I feel so strongly about the particular programs and methods proposed in this joint education and training bill. It



is not just a question of Congress simply doing something. I am not speaking in opposition to this ill-advised and loosely drawn proposal because I am a Republican, but because I have inescapable responsibilities as a Member of Congress. Naturally I am gratified that so many Republicans—and some Democrats, also—recognize the bill's weaknesses—and indeed the danger which this bill represents.

Mr. Chairman, I regret, too, that the President has proven so impatient with Congress, and that he has deemed it necessary to exert such unusual pressure to have this bill passed. He acts as if Congress were being asked simply to "declare war" on poverty. Obviously this is not the case. His recommendations, if adopted, could wreak havoc with many substantial programs authorized by Congress, some only recently such as manpower training and vocational education programs.

I regret, too, that the President himself has lent his weight to making a reasonable discussion of this program more difficult. He has helped, deliberately or not, to make "poverty" a partisan issue. He has not hesitated to excoriate as blind opponents those who express doubts about the bill's provisions. He has expressed regret that there should have been a party line vote in reporting the bill out of committee, yet he ignores the refusal of the proponents of the bill—who admittedly are Democrats—to accept any of the suggestions of the bill's critics—who admittedly happen to be Republicans. I deplore this party line division, and from the outset of the hearings all of us Republicans have sought to avert such a development.

I have no wish to dwell on this problem except to say that the proponents of this bill who happen to be Democrats—have also refused—either in committee or on the floor, including the discussion today—to engage in meaningful discussion or debate on the merits and demerits of this legislation. By this deliberate and consistent perversion of the legislative process, these same proponents present us now with a bill which contains fatal weaknesses.

Let me say also that we Republicans are proud of the many contributions which we have been able to make over the years to sound bipartisan consideration of legislation, much of it highly controversial. As a member of the House Committee on Education and Labor for 12 years, I recall that a high degree of bipartisanship was developed on such major legislation as Federal aid in the construction of schools, labor reform legislation and the National Defense Education Act. More recently, major Republican suggestions were considered, and adopted, in such landmark legislation as manpower training and vocational education. Had an honest effort been made in this poverty area, similar Republican suggestions might have helped develop sound legislation instead of what we have before us today.

To those on both sides of this aisle who consider themselves to be liberals, or, if you prefer, "moderates," let me say

that this bill does not involve any liberal principle. It is a radical proposal. It has been claimed that this bill is conservative, presumably because no more money is requested. I oppose it so strongly not simply because it infringes on State's rights, although it surely does so to a startling degree. I oppose this bill because it proposes to attack broad social and economic problems in a manner that utterly disregards State or local or private responsibility. When all its wordy provisions are reduced to a basic proposition, it is that the power to make every decision, to approve every course of action, to select every beneficiary, is left to a single, appointive Federal official.

This is the kind of power, and the kind of disregard for the responsibilities and the duties of citizens, that has smothered and destroyed liberal institutions. Read this bill. In every key section are the crucial phrases "the Director is authorized to enter into agreements, to arrange, to provide, to establish, to prescribe, to approve." The Director, in every important instance, would establish the criteria for the operation of every project authorized under this bill, whether conducted by public or private agencies at the local, State, or Federal level. Again I urge you to read this bill.

The label of "antipoverty" on this poisonous concoction does not alter its content. Every power-struck totalitarian regime in modern history has promised to eliminate poverty through the complete centralization of power. Such nonsense has been the lowest common denominator of totalitarianism of both the right and of the left, whether espoused by a petty tyrant or a monster capable of menacing the whole free world. The creation of a Federal poverty czar in possession of unlimited authority would not inaugurate a "war on poverty"; it would initiate a turning away from the path of liberal democracy.

President Johnson, however badly advised in the form of this bill, is a staunch advocate of democracy. So, too, are Mr. Shriver, under whose auspices the bill was drafted, and the gentleman from New York [Mr. POWELL], and the gentleman from Georgia [Mr. LANDRUM], who cosponsored it in the House. Yet, in their all-too-evident haste to throw this package together, they have created a proposal which runs counter to the fundamental principles of liberal government. It is no less dangerous because their intentions are good.

We would do a favor to the present national administration by killing this proposal.

During the course of this debate, we hope to discuss every part of this bill in sufficient detail to demonstrate its futility. Major weaknesses appear almost at a glance. I shall briefly review some of those.

Title I of the bill is a rerun of so-called youth employment programs which have been proposed before but not acted upon by the House. However, there are some critical differences between this proposal and the youth conservation bill approved last year by our committee. One of the major differences is that the pov-

erty Director is given far more authority than we accorded the Secretary of Labor or the Secretary of Health, Education, and Welfare.

The first thing to notice about the youth proposals is that they go far beyond the concept of work camps for potential juvenile delinquents, or of training for unemployed youths. They actually authorize a new Federal system of education, which will operate alongside of and in competition with State educational systems. This is not Federal aid to education, it is Federal education—and there will be no State or local responsibility for its operation.

Now look at the so-called work training and work study parts of title I, the second being for college students. Both call for up to 100 percent Federal financing, and both authorize Federal payment for work done for private, non-profit organizations. Of course, the work training part duplicates in large measure the program of work study we authorized only last year in the Vocational Education Act—except that the vocational education program is run by the regular public school authorities in the States.

The "work study" part in this bill covers the very same college students who would be eligible for loan assistance under the National Defense Education Act. It duplicates, or broadens, the purpose of that act, but with far different methods.

What is the really new and different element in these two programs, aside from the degree of Federal direction? It is the concept of Federal subvention of work done for private organizations. Which organizations and what kind of work? Any—I repeat—any nonprofit organization which is carrying on "work in the public interest." And whom, we might ask, determines what is and is not "work in the public interest?"

The answer to that crucial question is that the Federal poverty czar determines what is work in the public interest. He alone makes this determination, without a single limitation or guideline in this bill.

Ask yourselves another question: "Is this type of authority wise, proper, or necessary in the hands of a Federal official?"

The "community action" program in title II of the bill goes even further. This title establishes direct Federal responsibility for the whole range of social and economic problems dealt with by public and private agencies. This is the heart of the bill, if it can be said to have one. Contrary to what has been asserted, local people will not have control asserted.

"Community action" is an unlimited extension of the experimental program established by the Juvenile Delinquency Act. This program, incidentally, for 3 years has floundered around in endless planning and confusion in several of our major cities. But this bill goes beyond the community planning concept of the Juvenile Delinquency Act.

This bill authorizes virtually 100 percent Federal financing of the work of private or public organizations in fields



such as welfare, housing, health, education, employment, and job training. These private organizations need not be representative of the community, and the projects need not be participated in, nor even approved by, local or State government.

Please note this carefully: the Federal poverty czar would decide which organizations would participate, where such activities would be concentrated, and how they would be operated. He alone would determine the criteria for the approval of private projects supported by Federal funds. Any nonprofit, private organization in this country would be eligible to receive Federal funds—including religious organizations—provided only that the organization and its program meets with the approval of the Federal poverty czar, purely on the basis of criteria determined by him.

This power of approval is the power not only to favor one private group over another, but to control the activities of the favored group. This is a degree of Federal authority—operating in every community in this country—that is without parallel in our national history.

This bill does not provide for State and local public agencies to control any aspect of this program. They can participate, but on the terms laid down by the poverty czar in Washington. The bill, you will notice, in section 209, requires the Director to establish procedures for the participation of the States in community action programs. The "procedures" are left up to his discretion; there is no voice for State government in the matter. This is described by the bill's proponents as State cooperation; it is clearly a master and servant relationship.

Aside from the privilege of participation and cooperation on terms laid down by the poverty czar the only option given to either a State or local government is that the Governor may offer comments on a proposed project. This is so meaningless as to be insulting. Even if a Governor could veto a project in his State, this would not be the kind of State planning, responsibility, and partnership found in every other major Federal program in the States.

Title III is the extraordinary Federal-grant, land reform scheme that is supposed to help poor farmers. According to the American Farm Bureau, it would help only to perpetuate rural poverty on subsistence farms. The remarkable thing about this title—aside from the dubious character of the programs—is that it was ever considered by our committee. Clearly, any such sweeping program for American agriculture should be passed upon by the Committee on Agriculture.

Not only is our committee incapable, in terms of jurisdiction and competence, to give due consideration to a farm bill, it in fact did not really consider this title. The title was gavelled through over the objections of the gentleman from Minnesota [Mr. QUIE] and the gentleman from Illinois [Mr. FINDLEY], who are the only members who also serve on the Committee on Agriculture.

They will discuss the details of this title in the course of debate.

Title IV, like title III, should never have been considered by our committee. It deals with assistance to small business, and should have been assigned to the Select Committee on Small Business, or to the Committee on Banking and Currency.

Title V completely duplicates the authorization in the Social Security Act for the Secretary of the Department of Health, Education, and Welfare, to finance pilot projects which show promise of finding new ways to prevent dependency. I have no idea what it is even doing in the bill before us, because no new authority is needed for this purpose.

Later in the course of debate, I shall discuss some of the incredible administrative features of this bill. One point should be made now: this bill does nothing to coordinate existing Federal anti-poverty programs. No such authority is needed, because such coordination is part of the job of the President of the United States and of his Cabinet officers, and it is a part of the daily routine of the executive departments.

The poverty czar is not given a coordinating role. Every authorization in this bill is a direct authorization to him. A new Federal agency, with a new bureaucracy, is established to carry out these programs. He may farm them out to whomever he pleases, and on his own terms, or he may administer them himself. This applies to the entire bill, with the exception of the unnecessary authorization in title V.

We are asked to create a new super agency dealing with poverty, and duplicating and overlapping the present massive Federal commitment in this field.

Make no mistake about it: this bill departs completely from any concept of State and local responsibility. It is to be a Federal show. This bill charts a new, and extreme, and radical direction for American government.

Mr. LANDRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, in the zeal of debate we should not obscure the real problem with which we are now confronted. We are not talking about future unemployment or economic problems. We are talking about 35 million American citizens who derive little benefit from the most productive society in the history of mankind. We are talking about 1 million out-of-school and unemployed youngsters who view the future with hopelessness whether they live in the jungle of the urban slum or in the barrenness of an eroded or mined-out hillside. We are talking about 8 million adult citizens who have not had the benefit of a basic education and who find most employment doors shut to them. We are talking about hundreds of thousands of small farmers who do not have the financial backing to put their small acreages on a sufficiently productive basis to support a family.

In the district it is my privilege to represent, there are many young people

anxious for an opportunity for work-training and further education who have no real chance to acquire it. There are families who cannot afford to keep children in school. Merchants, professional people, and businessmen throughout Appalachia and eastern Kentucky are caught in a stagnation of economic activity because of the need for greater employment, training, and educational opportunities. Ever since I have been in Congress, I have fought to secure the public works economic development and education legislation which are desperately required in Appalachian eastern Kentucky. This bill, together with the Appalachian legislation pending before the Public Works Committee, is a giant step in assuring economic stability and growth for the entire region. We have not reached this point in the legislative consideration of programs for Appalachia or the impoverished either overnight or by accident. Thanks to the strength, the courage, and the complete determination of our President to bring this Nation to its full greatness as a democratic society, we are seeing many legislative deliberations, studies, debates, hearings, and efforts now bearing fruit. In this connection, it is gratifying to me that a strong foundation for the wisdom and justification for title I has been laid in the hearings which were initiated in 1961 on youth employment programs and the Youth Conservation Corps program.

Early in the 87th Congress I introduced H.R. 4971 to establish a Youth Conservation Corps, to provide financial assistance to young people to pursue higher educations, and to provide employment and training for young people who desired specific vocations.

Following the 1961 hearings the House Education and Labor Committee reported H.R. 8354—see House Report No. 833 and House Report No. 1540 of the 87th Congress—a bill which I introduced to establish a Youth Conservation Corps and help finance programs sponsored by local communities to create employment opportunities for young people. Improvements were made in this legislation following hearings which were held in the first session of this Congress resulting in the favorable reporting of my bill, H.R. 5131. Title I—parts A and B—of the bill we are now considering, embodies the concepts set forth in H.R. 5131—House Report No. 199, 88th Congress—and yet broadens the authority so as to give the administration greater latitude in fashioning work training programs for youngsters who without such programs have little hope for meaningful employment. Moreover, I believe that the work-study program for needy college students provided in part C is a very appropriate extension of the program authorized for vocational education students in Public Law 88-210, the Vocational Education Act of 1963.

Likewise, part B of title II dealing with adult basic education has had laid for it a strong foundation in the hearings conducted by the general Subcommittee on Education in 1962 and 1963, resulting in the favorable majority reports—House



Report No. 1551, 87th Congress and House Report No. 638, 88th Congress.

It would be a serious oversight at this point if I were not to recognize and commend the active interest, support, and leadership given legislation to cope with these problems by distinguished colleagues and members of the general Subcommittee on Education—Mr. BRADEMAS of Indiana, Mr. SCOTT of North Carolina, Mr. BROWN of California, Mr. CAREY of New York, and Mr. GILL of Hawaii. While the distinguished minority of our subcommittee have not always agreed, their active participation in the proceedings of the subcommittee has thrown considerable light on the problem, enabling the legislation which we have fashioned from time to time to be more effective in dealing with problems. In fact there should be no complaint that the legislation has not been carefully considered by the Congress. To the contrary, in my judgment, we have dallied too long in initiating the broad programs of employment and training for our unemployed and out-of-school young people and while we have been idle the problem has been growing.

There are almost 1 million out-of-school and unemployed young people between the age of 16 and 21 years. At hearings conducted by the subcommittee it is my privilege to chair, it was revealed that in 1960 the average number of young people between these ages who were out of school and looking for work, were about 450,000. By 1962 that number had grown to an average of about 700,000. Without effective action this number will continue to climb because 26 million new workers are due to enter the labor force during the 1960's as compared to 19 million who entered in the fifties—an increase of 40 percent and the number of young people age 16 to 21 in the labor force in the 1960's will be 5½ times greater than in the fifties. Traditionally our world of work has been such that a young person entering the labor force for the first time could find employment in the unskilled and semi-skilled categories or he could support himself as he gained in experience, maturity, education, and training. This is no longer true for it is in these occupational categories that the processes of automation have had their most telling effect. At best the prospect of unskilled jobs have remained, and will continue to remain at the current level. Thus the portion of unskilled occupational categories in a growing labor force is actually declining. Most of the increase in the work force must find employment in the more skilled jobs. These are precisely the jobs for which the untrained youngster is not qualified. This is not only true of our domestic labor force, but also of the manpower requirements of the Armed Forces accounting to some extent for the large percentage of selective service rejectees.

#### JOB CORPS

Part A of title I authorizes the establishment of a Job Corps to prepare young men and women for the responsibilities of citizenship and employment. The Job Corps is designed to serve the needs of hundreds of thousands of rural and ur-

ban young Americans who are out of school and out of work, or who are employed in dead-end jobs; these are Americans who find the exit from a life of poverty blocked by lack of opportunity to improve their skills and capacities.

The aforementioned group includes a substantial number of young women, and the committee has therefore provided that participation in the Job Corps be available to them. Statistics cited during the committee hearings on H.R. 11377 indicate that approximately 46 percent of all school dropouts are young women. Since women comprise approximately one-third of our labor force, it is the committee's desire that at the very minimum the number of young women in the Job Corps should be as nearly as practicable in the same proportion.

The Job Corps will seek to enroll those young persons age 16 through 21, for whom the best prescription is a change in surrounding and associations. Individuals who have not graduated from an accredited high school may be enrolled only when further attendance by such individuals in any regular academic, vocational, or training program is impracticable. The Director will establish procedures to obtain the views of local school authorities with respect to the practicability of continuing training or education for such enrollees. In addition, high school graduates may also be enrolled in exceptional circumstances such as failure to pass the selective service mental achievement examination, or other evidence of failure to meet academic achievement necessary for job placement.

To those who volunteer and are selected, the Job Corps will offer a rewarding opportunity for education, vocational training, useful work, recreation and physical training, and other appropriate activities welded into a carefully designed program.

The enrollees in the Job Corps will live in either conservation or training centers in rural or urban areas. Both will be residential. The conservation centers of approximately 100 to 200 youth each will offer a healthy, out-of-doors life where the discipline of work and new skills will be learned while our Nation's parks, forests, and other natural resources are improved. The training centers will be larger and many will use excess Government facilities no longer needed for their original purpose.

In some centers, education and vocational training will be provided through local public educational agencies or private vocational educational institutional or technical institutes where these institutions can provide substantially equivalent training with reduced Federal expenditures. Similarly, some centers will be planned and managed by other institutions which have rich resources to contribute to youth education and guidance programs, while in others the training will be provided by the Job Corps itself.

An additional resource expected to play an important role in the operation of Job Corps centers will be the VISTA volunteer.

In Job Corps centers, enrollees will participate in well-rounded programs designed both to build up new skills and instill habits and attitudes essential to future employment. Through education, and work and skill training, enrollees will learn the meaning of self-respect and self-confidence through their own achievements. New vocational goals never before open to these young men and women will open up in the training programs which will be offered. The entire core of the program will be based on building each individual's employability in a job which will enable him to maintain himself and his family on a decent living standard.

In addition to the education and training each enrollee will receive, he or she will also benefit from a new and wholesome environment, physical training, adequate medical service, and intensive guidance and counseling. Social responsibility, respect for others, and pride in personal achievement will be encouraged through extracurricular programs tailored to the needs of the enrollees. The living, travel, leave, and readjustment allowances will likewise be designed to instill thrift and responsibility.

#### WORK-TRAINING PROGRAMS

The work-training programs in title I, part B, are designed to give unemployed young men and women aged 16 to 21—including both those in school and those out of school—a chance to break out of poverty by providing them with an opportunity to work, and, through work, a training experience not now available to them in private employment or under any existing Federal program.

It is anticipated that the administration of this part will give particular attention to work programs which will enable young people to maintain regular high school attendance or return to high school if they have already dropped out.

The work offered young men and women in this program will increase their employability by enabling them to acquire new skills and work habits on a job. Attention will also be given to counseling during and job placement after the work-training period.

The work in these projects will not only give youth who are victims of poverty an opportunity to increase their employability, but it will also give them a chance to help their own communities to become part of what the President recently call the "great society" by providing important public services that would not otherwise be provided.

In the administration of the work-training program the Director will coordinate the program with the Secretary of Labor. It is contemplated that the Department of Labor will cooperate with the Director in the execution of the program by contracting through field representatives with the local groups, both public and private nonprofit, who will actually run the projects as sponsors. The projects will be distributed equitably among the States, taking into account the need of youth. Distribution within States should emphasize locating projects in areas where poverty problems are concentrated and chronic.



The enrollees in the program must be young men and women, aged 16 through 21, from impoverished families or neighborhoods who are:

First. Out of school, unemployed, and who need assistance and experience to resume and maintain school attendance;

Second. Out of school, unemployed, and not planning to return to school, who need work experience in order to prepare for formal training or for a job; or

Third. In school, but who are identifiable as potential dropouts and for whom a work experience and financial assistance would provide the necessary incentive to continue in school—and so increase their employability.

The committee has used the term "unemployed" in its broadest sense. In the administration of this part it is anticipated that the Director will give particular attention to work programs which will enable young people to maintain regular high school attendance or return to high school if they have already dropped out.

Programs can be sponsored by State or local public agencies or by private nonprofit agencies. Sponsors must demonstrate ability and desire to reach out to and deal effectively with the poverty group for whom the program is intended. A private employer engaged in normal business with the public may not become a project sponsor.

The kinds of jobs on which the youth will work are varied. They may work in occupations which are being newly developed or they may be in occupations for which there is a greatly increased demand in the public and the private nonprofit sectors, such as auto mechanics, office workers, draftsmen trainees, cook's assistants, nurses' aids, and hospital orderlies. They may also be in occupations related in the development of recreation facilities, the conservation of natural resources, and neighborhood improvement projects.

All of the jobs will provide important services and should be designed to increase the employability of the youth. In no instances will the youth thus employed replace others already now employed.

The actual programs will vary from State to State and locality to locality because they will be tailored to meet local needs.

Works places can be in hospitals, playgrounds, libraries, local government departments such as recreation, health, sanitation, public works, schools, State or county parks and forests, settlement houses, and other places where public services can be performed.

The number of work hours can vary in different programs. Part-time daily employment can be combined with school attendance. Full-time employment can be offered to those who plan to resume their education or need to increase their employability through work experience.

This program fills a gap and provides another tool to meet the growing problem of unemployed youth. Other programs recently enacted or now before the Congress have provided other tools.

Training under the Vocational Education Act and the Manpower Development and Training Act is a curriculum-centered remedy for the development of skills. The Job Corps provides an "away from home" work and training experience for those who will respond to it.

The existing program most similar to this part is the work-study program authorized in the Vocational Education Act of 1963 which provides similar work experience only to those in full-time attendance in vocational schools. But it would not be available to more than 80 percent of the school population—those not in vocational programs—nor to the over 1 million youth who are out of school and out of work.

The Federal share of the cost of projects during fiscal years 1965 and 1966 will be 90 percent, with the sponsor contributing 10 percent either in cash or in kind. The Federal contribution thereafter will be 50 percent. The costs shared by the Federal Government will normally include the costs of wages for the youth, project administration, selection and job placement, supervision and training on the job, and counseling.

#### TITLE II URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Of great importance to the elimination of the sources of poverty throughout our Nation are the provisions of title II of this bill. Two basic programs are authorized by this title. The first recognizes the great importance of local initiative and leadership in developing the types of local projects which will assist communities to provide greater educational and employment opportunities for the families of that community which, even in the face of plenty, find it difficult to find shoes and acquire three meals a day, to be able to obtain medical care and in general who live from day to day on a very marginal form of assistance. These conditions are shocking and intolerable.

Title II would provide local leadership with financial assistance, the necessary "tools" with which to put in motion projects giving such families the opportunity to leave the treadmill of poverty which many families have handed down from generation to generation. Thus this title would help finance special programs and projects dealing with health, vocational rehabilitation, housing, counseling, employment and job training, special remedial and other educational assistance outside the framework of the normal school curriculums which in that community gave promise of being effective in eliminating local sources of economic depravity. For such local action programs the legislation would authorize to be expended in my State of Kentucky, \$4,837,770 in the first year of the program.

In addition to this, part B would provide the State of Kentucky with \$129,000 the first year to initiate and expand local programs of adult basic education so as to provide our more mature citizens who grew up in a world requiring little or no formal education, to obtain basic educational skills in a world which today requires them for meaningful employment.

#### ADULT BASIC EDUCATION

This part is designed to remedy a serious national problem by assisting the States in providing basic education to educationally deprived adult citizens. There are in the United States over 11 million adults 22 years of age and older who have completed less than 6 years of schooling. Most of the 11 million persons with less than a sixth grade education—and many of the more than 20 million adult Americans with less than an eighth grade education—lack a solid foundation of basic education—the ability to read, write, and do simple arithmetic. Without this ability, many are committed to a future of minimum earnings, recurrent or persistent joblessness, social dependency, and personal deprivation. Many are unable to cope with written instructions in connection with the use of medicine, the direction of traffic, the operation of appliances and equipment, and the completion of employment and tax forms. Consequently, many such persons are unemployed, and in their present condition, virtually unemployable.

The cost to the Nation of this lack of basic education among so large a group is staggering. Supported, in part, by public funds and unable to benefit from major vocational training programs because of the lack of basic educational skills, large numbers of undereducated adults are dependent on public assistance, unemployment compensation, public and private charities, and their relatives. This legislation is a positive program designed to combat poverty and thereby reduce the burden imposed upon the Government, private institutions, and individuals.

The committee believes that large numbers of these educationally deprived citizens will seek instruction and greatly benefit from it if the opportunity afforded by this legislation is provided in conjunction with a comprehensive assault on poverty.

Many nations—including our own—have shown that the problem of adult undereducation can be attacked and virtually wiped out. Unfortunately, with little exception, State school systems—overburdened in recent years by increasing demands of growing populations—have not often ventured into this field. This fact alone is one of the major reasons why very few schools with classes for adults are reported to offer courses designed specifically to overcome basic deficiencies in reading, writing, and elementary mathematics. For the most part, basic instruction of this nature is now limited to very large cities and designed for the benefit of recent immigrants.

The problem of adult educational deprivation is not one that will go away by itself. It is true that in 1957 nearly 60 percent of all adults with extreme educational deficiencies were over 55 years of age. It is also true that our children are considerably better educated than their parents. But census data tell us that time alone brings scant quantitative improvement to the problem. It has been suggested that with nearly universal State compulsory school attend-



ance laws the problem will disappear. Census data indicate clearly that the problem will not disappear or even be appreciably reduced in many decades without action. In 1960 a total of 8,303,000 adults aged 25 and over had less than 5 years of schooling. A decade earlier, 9,446,000 adults had completed less than 5 years of schooling. The net differential between 1950 and 1960 was therefore 1,143,000, or an average decrease of only about 114,000 a year over the 10-year period.

An overriding consideration is that the learning tools of reading, writing, and arithmetic open the doors of opportunity not only to occupational training and productive work, but also to the larger life of the mind and spirit. The illiterate or near illiterate person, while employed, may be shut from a whole world of personal growth opportunities as well as from occupational advancement opportunities. Adult basic education is a fundamental approach to independent learning, to adjustment of manpower to changing occupational requirements, to elimination of poverty, and to the larger satisfactions in personal growth made possible through acquisition of the basic learning tools.

Attention is called to the rapidly changing job opportunity market. "Employed today and unemployed tomorrow" is a fact in our present-day society. Some occupations are fading out rapidly and others are coming to the fore with increasing demand for workers. With a great need for trained personnel in the service and health occupations, as well as in some of the areas below the technician level, the key element for a substantial breakthrough to improved occupational status is adult basic education. For many the bar to productive work and independent living will remain until a national, State, and local effort is undertaken in this field.

In order to speed the elimination of adult undereducation, this part authorizes grants to States which have approved State plans for adult basic education programs. Allotments to the States would be based on relative numbers of adults, aged 22 and over, within a State who have not completed more than a fifth-grade education as compared with the number of adults in such category in the Nation as a whole, but with a minimum of \$50,000 for any State.

#### SMALL FARM FAMILY PROGRAM

Mr. Chairman, the program envisioned by title III will afford many family-size farms and rural families to obtain the financing through grants and loans by which their farm operations can be improved to the point that the families occupying those farms will enjoy greater income and an increased standard of living. In hearings conducted by the committee on which it is my privilege to serve, time and again we have been told of the devastating effect of automation on the employment picture. In no occupation has the effect of automation been more devastating than on the small family farm. Technology has fashioned for the farm mechanized implements which have contributed greatly to the productivity of farm labor. Unfortunately,

many of our small farms on which many rural Americans are barely subsisting, the cost of utilizing modern farm practices in simply providing a living for the family, are priced far beyond the financial capacity of the family. Many such farm family units could be placed on an economical operating basis if the financial backing and resources were available to enable such farmers to acquire appropriate land for a family farm operation. In this connection, title III would authorize grants up to \$1,500 to low income rural families which could be used to acquire and improve real estate, reduce encumbrances, improve the operations of farms, as well as even finance nonagricultural enterprises appropriate to the farm locale which would supplement the farm income. In addition to such grants, loans may be made up to \$2,500 for the same purpose. Title III is vital to the total program of eliminating poverty because there are so many American citizens today who cannot be appropriately retrained for any other occupation.

In no way do I, nor the majority members of the committee, nor the administration advocating this program, consider grants authorized under this title to be welfare payments to simply supplement the present income of poor families living on a farm. It is our thought that these grants would be made for the specific purpose of enabling that family farmer to raise and maintain his farm income so as to eliminate him from the rolls of the welfare recipient enabling him to make an income to support his family in health and comfort as well as upon which to base an eventual retirement paid for by himself in his contributions to the social security insurance program.

**Title IV—Employment and Investment Incentives:** Title IV of the bill broadens the lending authority of the Small Business Act so as to adequately meet the special loan needs of very small businesses which privately operate at marginal levels. Loan maturities, when necessary, are authorized to be extended to 15 years. Provision is made for management training courses as an integral part of the loan program. Other liberalizing provisions are made so as to make small business loans more readily available to individuals and to smaller enterprises.

**Title V—Work Experience Programs:** This title is of extreme importance both from the immediate short-range viewpoint as well as in connection with the long-range effort to establish economic independence to impoverished families. It involves first, an expansion of the existing so-called jobless dad program so that public assistance funds, both from the State and Federal level, can be utilized in compensating unemployed fathers for work performed on public projects. Further extensions of this principle are authorized by the legislation in further work and training programs in connection with public assistance, extension of the concept to help widows who often have the great burden of being the sole support of their children, and finally a provision which would

permit the extension of the jobless parent program to other needy unemployed individuals.

Title V is of critical importance in many areas such as in eastern Kentucky where we must immediately begin to bridge the gap between unemployment and jobs for everyone who seeks them. Vocational education, the strengthening of educational programs at every level, health projects, counseling and guidance, increased attention to public works programs, all in my judgment will assure in the long run, the establishment of economic stability in Appalachia, but in the meantime, immediate assistance in the form of employment such as provided in title V, is essential.

Mr. Chairman, I wish to compliment my distinguished colleague, the gentleman from Georgia [Mr. LANDRUM], for his outstanding leadership and legislative skill in bringing this legislation to the floor.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. Yes. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I wonder if the gentleman read the statement submitted for the Record by the gentleman from New York [Mr. POWELL] with respect to the Job Corps enrollees.

Mr. PERKINS. I have not. I have not read the statement of the gentleman from New York, but I agree wholeheartedly that this bill is for everybody. It is for all races, it is for all sections of the country. I think it is time we enacted a Youth Corps to do something for these youngsters.

Mr. FRELINGHUYSEN. Mr. Chairman, would the gentleman yield for a further question with respect to the Job Corps?

Mr. PERKINS. Yes, I will.

Mr. FRELINGHUYSEN. The gentleman from New York [Mr. POWELL] argues that there is no point in undertaking the Job Corps program unless there will be jobs for the graduates. He then says training for jobs and job placement will be the heart of the Job Corps program.

I wonder if the gentleman from Kentucky will agree with me that there is no language in the provision establishing the Job Corps which indicates either training for specific jobs or job placement will be the heart of the Job Corps program?

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. LANDRUM. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PERKINS. I wish to answer the gentleman from New Jersey by stating that the language in the bill, both in the Senate bill and in H.R. 11377, is identical in that respect.

Mr. FRELINGHUYSEN. The gentleman is not answering my question.

Mr. PERKINS. Those enrollees will be accepted in the Job Corps but when they are enrolled, naturally, they are going to be thoroughly counseled, they are going to be tested, and they are going to be placed, whether it is in a training center or the Conservation Corps camp.



Mr. FRELINGHUYSEN. I am referring to job placement after they go through this routine of the camp. There is no reference to job placement. There is no reference to matching the skills of these illiterates with the jobs.

Mr. PERKINS. I am confident that all educators, whether public, private, vocational, and at all levels will cooperate very closely with the 1,900-odd employment State offices throughout the country in an effort to ascertain available employment opportunities and the training and education required for youngsters to be able to fill them.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. ROOSEVELT. Mr. Chairman, if the gentleman will look at either the Senate bill or the House bill—and they are the same—

Mr. FRELINGHUYSEN. Can we not agree on which bill we should be looking at?

Mr. ROOSEVELT. The same language is found in both. Section (b) says: "arrange for the provision of education and vocational training of enrollees in the Corps."

Mr. FRELINGHUYSEN. Which section (b)?

Mr. PERKINS. It is section 103.

Mr. ROOSEVELT. That is title I, section 103.

Mr. PERKINS. It is at the bottom of page 3.

Mr. ROOSEVELT. It goes on and says: "arrange for the provision of education and vocational training of enrollees in the Corps."

Then at line 9 it says: "provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees."

Mr. FRELINGHUYSEN. But there is no reference to the placement of enrollees in jobs when they get through with this tour.

Mr. ROOSEVELT. That is just nit-picking.

Mr. FRELINGHUYSEN. I do not see how it can be described as nit-picking when—

The CHAIRMAN. Does the gentleman from Kentucky [Mr. PERKINS] yield?

Mr. PERKINS. Not at this point.

Mr. Chairman, let me say in conclusion that I consider one of the most important aspects of this so-called poverty package the assurance that every child that needs education and training will be given the opportunity to pursue education to the full extent of his ability.

In part of the district that it is my privilege to represent children are being denied even an elementary or secondary education because of lack of income in the family, because of inadequate transportation facilities, because of poor roads, all of which, of course, relate to total picture of poverty in Appalachia. To strike at the very heart of the cause of this we have got to begin with our young people. No programs have been suggested to the committee better than the proposals with which we come before this body today. I want to state that for several years in hearings before the General Subcommittee on Education I

have listened to experts from private foundations, the best social workers throughout the country, and all the other people, with special knowledge and leaders in this field who are concerned about youth training, education and employment, and all of them support this legislation.

I cannot see where the opposition is offering anything constructive.

At this point I am inserting in the RECORD remarks which I feel are pertinent to this debate that I made on the floor of the House on March 14, 1961, supporting H.R. 4971 which I introduced in February 1961, to create greatly expanded training education and employment opportunities for our young people.

#### YOUTH CONSERVATION CORPS

The SPEAKER. Under previous order of the House, the gentleman from Kentucky [Mr. PERKINS] is recognized for 30 minutes.

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

Mr. PERKINS. Mr. Speaker, for several years I have introduced legislation providing for a Youth Conservation Corps. On July 27, 1959, I introduced H.R. 8404 to authorize the establishment of a Youth Conservation Corps which was identical to the legislation sponsored by Senator HUMPHREY and other Members in the Senate. Early this year I introduced similar legislation H.R. 4158 and in late February, H.R. 4971.

Mr. Speaker, I personally feel that my bill, H.R. 4971, authorizing the establishment of a Youth Conservation Corps providing employment and educational services to enrollees is essential in these times. In most instances the unemployed youth are the children of unemployed adults. This is particularly true in the whole mining area of eastern Kentucky. These children cannot hope to get the proper training and education unless some agency, such as the Youth Conservation Corps, is established.

The Nation has been impressed—but some of us have not been surprised—by the reaction of young people to President Kennedy's setting up of a Youth Peace Corps. Although we are celebrating the Civil War Centennial, we are still a young Nation and we have chosen a vigorous young President to lead us. He has asked us to move forward with him—and we will. But to move forward with the full vigor of which we are capable, we must conserve and preserve and use wisely all of our resources, both our natural resources and our human resources. For this reason I have introduced H.R. 4971 to which I invite your attention and ask for your interest and your support.

We are now engaged in the consideration of various measures designed first to combat recession and for the longer run to take special measures to improve the lot of all our people, particularly those in economically depressed areas. To accomplish this purpose, a number of things must be done and done promptly. Representing a district which has for a long time faced difficult economic problems, I intend to support fully both the antirecession and longrun recovery measures.

There is one area, however, which perhaps transcends all others in importance. It is the opportunity—or lack of it—which the young people of this country will have in the years just ahead to play their parts in and make their contributions to the development of the Nation.

We are facing in the very near future a situation the extent and importance of which we are just now beginning to be aware of. By 1970, there will be 46 percent more young people under 25 in the labor force than there were last year. Some 26 million will come into the labor market during the 1960's. Will

they be able to complete their schooling, which is increasingly needed to qualify for the kinds of jobs which will exist, to find jobs, to contribute to the support of their families? If not, what will they do?

With an expanding population—which will increase to about 208 million by 1970—we are using up our natural resources at an alarming rate and in many instances are not making the best use of the things we have. Just recently President Kennedy's task force pointed out the tremendous need for conservation and development of our natural resources.

My bill, H.R. 4971, proposes the creation of a Youth Conservation Agency to move on both these fronts at the same time; namely, to conserve, develop, and utilize the abilities and energies of this tremendous wave of young people who, during their generation, will face problems of a magnitude we can only dream of.

In 1957, Senator HUBERT HUMPHREY, of Minnesota, with great foresight introduced a bill to establish a Youth Conservation Corps. After extensive hearings it was passed by the other body during the 86th Congress. Senator HUMPHREY and 19 other Senators have reintroduced it during this session. A number of similar bills have been introduced by my colleagues in this House. These bills provide for the establishment of resident camps where young men can be assigned to do productive conservation work and gain work experience and training. I favor this program and have provided for it in my bill. I believe, however, that to meet the needs and to serve larger numbers of young people, other types of programs are required, and I have also included them.

First. In many parts of the country—such as the great cities as well as the depressed areas—there are young people in need of employment and there is likewise a great deal of work to be done. For example, there are city and State parks, wildlife refuges, school grounds, recreational areas, and so forth, where young men and women could be employed on a local work program, or day-haul basis. While perhaps lacking some of the features of the camp program, these local work programs would have other advantages. By permitting the young people to live at home, they would be considerably less costly, and the young people would be readily available for any regular job openings that may develop. Local educational facilities could be used for making up basic educational deficiencies and for related vocational training.

Second. Hundreds of letters come to my desk from families where the principal wage earner is unemployed or only partly employed, saying they have great difficulty keeping their children in school—and especially in high school—due to lack of money for clothing, supplies, and various school expenses. Even where the family head is employed, the great majority of families cannot afford the ever-growing expense of sending their young people on to college. The number of scholarships and loan funds is woefully inadequate to meet the need. Furthermore, most such grants—and rightly so—go to the most gifted students or those taking certain specialized courses. But there are millions of average and above-average students who should go to college so they can be prepared to meet the demands of the job market but who are financially unable to do so.

I propose, therefore, a program of student workshops to meet this problem. Under this program, students would be given part-time employment on work programs set up and supervised by the school and college authorities. This would not only help the students meet their necessary expenses, but would help the institutions to expand their services to take care of the growing demands



on them. Incidentally, this program would be made available not only to public schools and colleges, but to all private, nonprofit institutions, such as parochial and private schools. And let us not forget that it is in the American tradition to work one's way through school.

Third, under this bill employment on local out-of-school work programs and on student "workships" would be available to young women as well as young men. There is much useful work that could be done in every community by young women. They could be assigned to public agencies such as county and city offices, welfare agencies and the like to enable them to render needed services not possible within regular budgets. They could be assigned to work centers where they could repair or make clothing for needy families, especially those with young children. Some could be used in the conservation programs. In the schools and colleges they could be assigned to be library and laboratory assistants, clerical aids to take some of the paperwork off the shoulders of the already overburdened teachers, assist in hospitals and clinics and in dozens of worthwhile activities.

In addition to the value of the work performed through conservation projects, local work activities of various kinds and student work programs, two other very important benefits would accrue both to the young people themselves and to the Nation.

First, priority in assignment could be given to unemployed young people from families where the primary wage earner has exhausted or is not eligible for unemployment compensation. The wage earned by the youth would help in meeting family expenses, thus lessening the need for direct welfare grants of various kinds. And how much better this would be in terms of the pride and self-respect of the young people and their families.

Second, they would gain work experience and work training which is so important in qualifying for regular jobs. There is a great deal of talk these days about automation and technological change and their effect on employment. When we hear these words, we are inclined to think about a huge computer or an automatic assembly line. We tend to overlook the fact that the impact of technological change has probably been greatest in the area of agricultural and unskilled jobs. Land is cleared, ditches dug, crops raised, materials packed and handled by machinery. Think of how many elevator operators have been replaced by automatic elevators. And it is many of these disappearing unskilled jobs that young people have traditionally relied on to get their initial work experience and thus to enter the labor market. The first two questions a prospective employer asks are, "How much education have you had?" and "What experience have you had?"

Much fine work in preparing young people for jobs is being done in vocational education schools' apprenticeship programs and by industry through its own training programs. However, for the first time since 1934 when the CCC camps were started, there is not now in this country a large, federally financed work program through which out-of-school and unemployed young people can get work experience and training and which gets them better prepared to enter the labor market. During the 1930's we had the CCC and the other youth programs including student work programs in schools and colleges.

During the 1940's was the biggest of all—the military services. We took millions of young men—and young women—and taught them not only how to fight but how to do a thousand and one things, all the way from how to cook or speak Japanese to how to repair complicated electronic equipment.

After World War II and on through the 1950's we had the huge GI education and on-the-job training program. I think one of the reasons we did not have the great unemployment we feared after World War II was because so many of our young people came out of service and went into GI education programs where they acquired skills and work experience that enabled them to move smoothly back into the labor force. Now these programs have ended or are limited in scope and at the very time we are faced with the greatest percentage growth of young people seeking work in the history of our Nation.

I mentioned earlier that the number of young people seeking to enter the labor force will increase by 26 million during this decade. This is serious enough, but two aspects of the situation make it even more so.

First, the curve is starting to rise, but it takes its biggest jump not toward the end of the 1960's but at the middle of it. The number of young people reaching 18 each year ready to enter the labor force or go to college will increase from 2.6 million in 1960 to 3.8 million in the single year 1965—a rise of nearly 50 percent. This means that we do not have much time; we need to get started now during this session. We have some experience which will be helpful, but it takes time to organize, erect camps, and so forth. Fortunately I understand that the conservation agencies have many planned projects they could get started on rather quickly.

Second, is the gloomiest statistic of all. It is estimated that during this decade there will be some 7.5 million school dropouts—about one-third of whom will not go beyond the eighth grade. And this is during the space age. Hopefully, by greatly improving our school systems, as President Kennedy has proposed, and by adopting some student aid measures as proposed in this bill, we might be able to shave that figure somewhat. But it will still be large. And what are we going to do with them at a time when employers demand higher educational attainment and greater skills and when a high school diploma is an indispensable ticket to even many jobs low on the scale. We cannot encase them in concrete and drop them in the ocean as we do our atomic wastes. We will ignore them only at the risk of soon facing social problems in this country more frightening than any of us like to contemplate.

I have been asked what relation the programs contemplated in this bill will have with respect to the Youth Peace Corps—particularly if it includes some recently discussed domestic aspects. In my opinion, they are two entirely different things. For years, many private social agencies and church organizations in this country, such as the American Friends' Service Committee and others, have conducted programs designed to help communities with their social problems. In my own section of the country, private and religious agencies have established schools and carried on worthwhile programs such as that of the Frontier Nursing Service. The programs contemplated in this bill would not affect such activities; in fact, it could even be used to supplement them.

The basic purpose of this bill is to provide, on a large scale, work experience and training for unemployed young people, especially those in depressed areas and from families whose income is nonexistent or insufficient to meet basic needs. At the same time their enthusiasm and energy would be directed to increasing the wealth and the welfare of the Nation through conservation and public service programs.

I have deliberately waited till the conclusion of this talk to mention one other pressing national problem—that of juvenile de-

linquency. It is a matter of the gravest concern to all of us. Some States have had considerable success with work camps designed specifically for the rehabilitation of juvenile delinquents. This is well worth doing.

But I think it would be unfortunate if any program for young people set in motion by the Federal Government should be discussed primarily in these terms. This program is much broader than that. True, it would probably be the most effective preventive measure that could be devised. When you take energetic young people off the street corners and out of the back alleys, give them a chance to work and learn and earn and feel they are doing something not only for themselves but for their families and for their country, you are getting at the cause—not simply curing the effect. And this program would serve millions of fine young men and women who are not now and never will be delinquents but who need an opportunity to prepare themselves to be useful citizens and effective members of our labor force.

Mr. Speaker, in conclusion, I wish to state that my bill, H.R. 4971, contains the provisions of the Humphrey bill but is somewhat broader, as outlined above.

I yield to the gentlewoman from West Virginia [Mrs. KEE].

Mrs. KEE. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Kentucky. For several years, I have likewise introduced legislation providing for a Youth Conservation Corps because I personally feel this would mean so much to the whole Appalachian areas. I am well aware of the billions of trees that were planted on badly needed land, the thousands of miles of fire trails, and the thousands of bridges and buildings that were constructed by the Civilian Conservation Corps during the 1930's, and I realize the need for such action today to give some employment to these youngsters in the distressed areas. I am delighted that the bill of the gentleman from Kentucky contains provisions for local work activities of various kinds and student work programs, in addition to the conservation projects. I am hopeful that we will be able to get a program of this type enacted into law during this session of the Congress.

Mr. PERKINS. I certainly wish to thank the gentlewoman for her contribution, especially since she has been so active in her efforts to get similar legislation enacted in the past.

Mr. Speaker, I now yield to the gentleman from West Virginia [Mr. SLACK].

Mr. SLACK. Mr. Speaker, let me first of all compliment my colleague from Kentucky on the forcefulness of his presentation in behalf of this measure to deal with a serious problem affecting our youth. All of us are familiar with the quotation as old as mankind—"As the twig is bent, the tree shall grow," but I fear we have been too preoccupied with the vast problems of the day to turn a proper share of our attention to the coming generations, and how they must be shaped to keep our country strong tomorrow.

I speak in support of H.R. 4971, and note with satisfaction that Representative PERKINS indicates that aggressive measures will be taken to secure broad support among the membership of this House and call up the bill for hearings before the Committee on Education and Labor. This is a bill with multifold good objectives. It will offset the negative influences which beset much of our youth who are presently living in bad environments; it will teach them the virtues of thrift and hard work, and acquaint them with the dignity of labor. It will keep them in a healthful outdoor activity during their formative years. It can become a natural part of the President's recent suggestion



for a program of national emphasis on physical fitness.

Not only will we profit in terms of improved human beings and citizens, but we may also expect tangible gains through the conservation of our natural resources. Some 30 years ago, we instituted a conservation movement among our youth as a result of an existing depression. The results of the program were such that we can reasonably expect a program as suggested by this bill to meet with even greater success. I bring up this point because my district is among those which contain certain counties now depressed by long-term unemployment.

Of all the undesirable effects on man and his works which I have observed in depressed communities, none have troubled me as much as the effects on family unity and the hopes of the young. They have literally no place to go, and nothing to look forward to at the most impressionable period of their lives. I cannot see how a measure of this kind can do anything but improve the situation for the young people of depressed communities. There is an alternative to hopelessness and delinquency, and we have here a chance to devise such an alternative.

I hope that, in the welter of problems stretching from Laos to the Congo, and from the United Nations to Berlin, we do not lose sight of our own youth and the guidance they need and deserve to have from us. For this reason, I am in full accord with the sponsor of this bill, and pledge to him by most vigorous support in its pursuit to a successful conclusion.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. (Mr. PERKINS asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BELL].

(Mr. BELL asked and was given permission to revise and extend his remarks.)

Mr. BELL. Mr. Chairman, it is with great regret that I rise to speak against H.R. 11377.

Nothing would bring me greater pleasure than to be able to honestly say that the solution to the problem of poverty in our land lies in this bill.

The answer, unfortunately, is not in H.R. 11377 and I would not be acting responsibly if I attempted to have you believe otherwise.

It cannot be doubted that a war should be waged against poverty.

The ends are not to be questioned, but I am here to say that the means to these ends are, and should be questioned.

The President has said, let us begin to fight poverty. Page 87 of the House report indicates the scope of the Federal programs involved. Forty-two programs in seven departments are already in operation to fight poverty. These programs with current appropriations of almost \$32 billion would seem to indicate that the Federal Government has been committed to fight poverty for some time. We already have the machinery available to fight poverty, and let us use it.

Let us use these currently ongoing programs which many of us have supported, such as have been established in the vocational education program, the National Defense Education Act, the Manpower Development and Training Act, the Area Redevelopment Act, and many others.

These should be improved and possibly expanded if necessary.

But, Mr. Chairman, the question we are considering today is this: Does H.R. 11377 present an effective method to fight poverty in 1964?

I know it does not and I will point up some of the weaknesses of this ineffective scatter-gun approach in the Landrum bill.

Specifically, the lack of sound reasoning is apparent in title I of the bill which includes the controversial Job Corps.

Title I of this so-called poverty bill includes the so-called youth programs, and it is divided into three parts at a total cost of \$412.5 million in the first year.

Part A, the actual Job Corps, involves \$190 million in the first year.

Part B, the work training program, involves \$150 million in the first year.

And part C, the work study program, involves \$75.5 million in the first year.

It should be pointed out at the very outset that the Job Corps of title I is not a novel plan.

Basically, the Job Corps is a slightly modified version of H.R. 5131, the Youth Conservation Corps proposal introduced in March of 1963.

H.R. 5131 has remained in the House Rules Committee without action for over a year.

That committee has not seen fit in its wisdom to bring this plan out of the committee.

The principal difference between H.R. 5131 and the current proposal is that the former placed the program under the jurisdiction of the Secretary of Labor, whereas the latter places it under the jurisdiction of a new Federal office, the Office of Economic Opportunity.

The Job Corps has been compared to the Civilian Conservation Corps of the 1930's. I hold, however, that there are vast differences between the times and circumstances of each.

The CCC camps came into existence in a time of great depression when approximately 11 million of our citizens were unemployed, and this included a large part of our Nation's youth.

Today, however, we are experiencing one of the longest sustained economic booms in history. Employment is the highest in history. Therefore the times are not the same and the problems obviously are not the same. How possibly can the solutions be the same? Nineteen hundred and sixty-four problems must be solved with 1964 techniques.

The focus of this part is upon school dropouts and selective-service rejectees. These are young people who for physical, mental, or social reasons have not been able to cope effectively with their environment and who have not moved ahead with the majority of their generation. The primary need of this group is retraining, rehabilitation, and most importantly, economic opportunity.

It is my feeling that the Job Corps proposal does not provide the specialized instruction and retraining to meet these needs. Such retraining must be carried out where the facilities, the equipment, and the trained personnel are available.

As I have said, the initial program for 40,000 enrollees will cost \$190 million in

the first year. This amounts to about \$4,700 per enrollee. This is more than enough to send a young person to any of this Nation's top colleges.

If effective results could be expected from this program, it would be one thing, but when one considers that participation in the plan is purely voluntary and the enrollee may stay or go as he pleases, it must be conceded that it is, at best, a financial long shot.

The youth who would most benefit from the Youth Corps camps may not even volunteer. If he does volunteer, will he stay for the duration of the program? In this connection, I would point to an experiment in my own State of California. This experience verifies my contention. In California a \$300,000 program which sought to retrain school dropouts itself became a victim of the dropout problem. During the first 6 months of the program 101 of the 194 youths enrolled dropped out. Of the remaining 93 only 11 completed the course. There is no reason to believe that the Job Corps will have any greater success.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I have no desire to interrupt the gentleman except for the fact he mentions a program in his own State, which reminds me there was one in the State of New Jersey that lasted from March until July of this year. By that time the enrollees had dropped out, and the teachers had gone back to teaching somewhere else. Some of the enrollees got into vocational schools where they said they were more appropriately placed.

This shows the difficulty of establishing a job corps as contemplated without any kind of a definition, as this legislation proposes.

I might also say that we need not only look at the initial cost of this program the projected increase in the number of enrollees to 100,000 on the official basis. Some proponents suggest as many as 1 million may need this Federal education.

We have had no estimate of the cost from those who are backing this measure in the second year of the 2-year tour of duty of these enrollees.

This is another indication we are biting off a responsibility which may well lead to a vast increase both in cost and the nature of the problem in handling this number of young people.

Mr. BELL. I thank the gentleman. Mr. Shriver himself stated before the committee he would not be alarmed if there was a 50-percent dropout rate in the Job Corps.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield.

Mr. THOMPSON of New Jersey. I also dislike to interrupt the gentleman and I thank him for yielding. With respect to the New Jersey project which the gentleman just cited, it was from its very beginning highly experimental in nature, not backed up by any previous experience such as we have had in other programs, and was intended only to be



experimental in the sense that a handful of youngsters were to be taken. I do not think the gentleman wants to indicate that the mere fact of dropout or of cost is expected by anyone to control. This is dragging youngsters off the streets, and as for 100 percent of them staying, nobody can expect that. We do not either.

Mr. BELL. The point I am trying to make is that we already have programs such as manpower retraining, which does have basic education in it, that it does appeal to youth, that it does everything we have in this Job Corps, and all we have to do is merely expand it, that is, develop it, and use the manpower retraining program and the vocational educational programs we already have.

Mr. FRELINGHUYSEN. I agree with the gentleman. It should also be pointed out that the manpower retraining program calls for area residential schools if it is desirable in such cases for young people to be moved from their environment which is inhibiting them. This kind of approach will indicate if it is a sound idea. But in any event we are suggesting an experiment. The fact that a small experiment failed in my State of New Jersey does not indicate that a large Federal experiment will be successful; in fact, the contrary. It would suggest to me the adoption of a small program and the adoption of an existing system, such as was adopted by our committee a year ago but on which no action was taken.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. GOODELL. Since the manpower training program has been mentioned here, I should like to make some reference to the statement of my chairman, who posed in one of his questions, Will there be jobs for Job Corps enrollees after they finish this very expensive program? Then he goes on and says there will be jobs. He cites four specific reasons. He said the Job Corps will do the following things: First, carefully identify job openings which exist in the labor-market area. Second, carefully plan the curriculum to see that the enrollees are prepared for those jobs. Third, match the training to the desires and abilities of the enrollees. And fourth, proper retraining.

This sounds good. In connection with the manpower retraining program I have one question. It is that they have failed in this very respect. They have failed to do a proper job of evaluating the job skills that are in shortage in various areas. They have not given this the kind of priority they should have. They have not even promoted a study to see the change in job skills from year to year in this country so we can get an idea of the trend and any psychological change.

The chairman points out these four items that he says will be done. There is not a single thing in the bill, not a single reference in title I, to require that these things be done or even to show a desire to set them up and do this kind of thing. We did require that these four

items be accomplished in the manpower retraining bill, and they have not been done adequately.

So I say to the gentleman, this answer sounds very good, but it points up the great weakness in this bill, that it is so broadly written that they can answer any question by saying, "Certainly, the Director will do that." But the Congress of the United States in this legislation is not exercising its responsibility to require that they be done.

Mr. BELL. I might add further, if they have not accomplished it under the manpower development program yet, which is a going program, how can it ever be expected to be accomplished in another program which has not even made these four items a requirement?

Mr. GOODELL. Exactly. They have not accomplished it adequately under the manpower development and retraining program where we specifically direct them to do this and we do not have any such direction or guidance in this legislation. Certainly, these things should be done. But they are dealing with the hard core of unemployed people who will be going to these job corps camps admittedly and they will have to have very careful surveys done. We should require this.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 additional minutes to the gentleman from California [Mr. BELL].

Mr. BELL. Furthermore, it appears this bill would add to our already acute teacher shortage that we have in the country. We all know that the teacher shortage problem in our conventional school systems is very acute right now. Where can we hope to find adequately trained teaching staffs for these isolated camps, for example, in Wyoming perhaps; or in Alaska?

I will point out too that just last year this Congress through the Committee on Education and Labor approved a greatly expanded Manpower Development and Training Act and Vocational Education Act. And as I said before, this carefully drafted piece of legislation aims directly at the problem of the 16- to 22-year-old age group.

It has been stated that the Vocational Education and Manpower Training Acts appeal to a different group of people than the Job Corps. This statement is absolutely not accurate. The bill does appeal to the same groups. It has the same basic educational program, that is, the reading, writing and arithmetic or literacy found in the Manpower Development and Training Act. This provides basic education for all those who have an education of the sixth grade or less. You can get your basic education and literacy training under the Manpower Development and Retraining Act.

Now why do we need another program? We voted for this before. Do we have to have more programs to do the same thing?

We have heard statistics this afternoon—many statistics—and I say that if these other already established pro-

grams are not being effective, perhaps we should work to improve them or expand them if need be.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman.

Mr. GOODELL. I want to express my strong agreement with what the gentleman is saying and my strong disagreement with some statements made on the other side of the aisle with reference to the supposed fact that we do not have any existing programs aimed at these people. We have enacted broad amendments to the Manpower and Retraining Act that extended the original youth section and Manpower Retraining Act. The original section of the Manpower Retraining Act adopted a good portion of the youth section from the original bill, the youth conservation corps bill. These programs are now available to be implemented and if we get the funds, they should work. I think they can do the job and we certainly do not have to have an additional one on top of that.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman.

Mr. PERKINS. I think we are losing sight of the fact that most of the unemployed youngsters today have never held a job. Hundreds of thousands cannot qualify for the Manpower Development and Retraining Act. Many are rejected from military training for educational deficiencies by the armed services. I think the gentleman from California will well understand that the vocational education bill and other programs we have to cover the youth are totally inadequate to offer a solution to the problems of needy children who require work opportunities and extensive training and counseling. In many instances our vocational education offerings require at least a ninth grade education. The different trades and crafts under vocational education are offered at the 10th-grade level. Most all vocational education courses require a substantial foundation in basic educational skills before they are admitted and in most States vocational training is not offered except on the high school level.

In addition, the vocational educational facilities are now extremely limited so that it is impossible to reach this group whom we are trying to reach by this legislation. I agree with the gentleman from California that the Vocational Education Act of 1963 will do much to eliminate future youth training problems, but I disagree with him about present day needs.

Mr. BELL. I hate to dispute with my friend.

Mr. PERKINS. Is that not correct?

Mr. BELL. I must say that my friend is not accurate. My friend from Kentucky knows very well that the Manpower Development and Training Act does have programs for youth.

Mr. PERKINS. Mr. Chairman, will the gentleman yield further?

Mr. BELL. I do not yield further at this time.



The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. GOODELL. If the gentleman from Kentucky will read the amendments to the manpower retraining act which we enacted last December he will see that we placed in that act a broader authority for special programs aimed at youth, so that they could take them into the programs regardless of how many years of school they had finished. We put in a special provision allowing them to take in youngsters who needed basic education, as well as adults who needed basic education.

The gentleman's statement is flatly wrong in terms of authority today under the law to give training and education to these people.

To the extent that the gentleman talked about a ninth-grade education being required under certain State vocational education programs, that is a requirement of the States themselves. That is not a Federal requirement. The gentleman knows it. The gentleman cites that example, which is not true across the country. It is not true in the State of New York. It is not true in most States. Under the manpower training program it is not at all involved.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I shall be glad to yield the gentleman 2 additional minutes. I understand there is a desire on the part of some Members to terminate the debate on the bill for today at a fairly early time, so I am reluctant to make further extensions. I do yield the gentleman 2 additional minutes.

Mr. BELL. Mr. Chairman, the only difference is that both the Manpower Development and Training Act and the Vocational Education Act have the distinct advantage of already being in operation and functioning. Even with this experience, both the manpower development and training program and the vocational education program are having trouble in getting the necessary number of teachers to handle the resulting demands.

Should we now at this time superimpose other programs, before we know even the immediate and ultimate potentials of existing programs?

In summary, then, the Job Corps simply does not fit the needs of the times. It will not equip the enrollee to make his way in the modern world.

I firmly believe that the funds can be spent more effectively by concentrating on the educational programs authorized and envisioned by the Manpower Development and Training Act and the Vocational Education Act. The need is to put these young people in tune with their actual needs, not to put them in tune with nature.

Mr. Chairman, I wanted to point out

one further thing with regard to one statement made. It was stated that H.R. 11377, the poverty bill, is nothing more than an education and training bill. If that is not what the manpower development and training program and the vocational education program are, I do not know what they are.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I take this time to request of the proponents of the legislation, which we will presumably be voting on on Friday, if they will be good enough to put in the RECORD today the substitute which they anticipate will be offered when the amending process begins. I understand the basic substitute will be the bill passed by the Senate, but with certain changes. In order to expedite matters when the time comes, it would be very helpful if everyone had the exact language of the proposed substitute. I would request that this be done.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I am glad to yield to the gentleman from Georgia.

Mr. LANDRUM. The bill which is proposed as a substitute has been printed in the Record days before and debate on it has been printed in the Record days before in the consideration of the other body. The bill is now available both to the majority and to the minority in sufficient quantities for each individual to have as many copies as he may desire. So we do not desire to print it again in the RECORD.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself an additional minute.

My ears may have deceived me. As I understood the gentleman from Georgia, he said a substitute would be offered, which would entirely replace the committee bill, consisting of the bill passed by the Senate with certain major amendments. One amendment would affect the Governors' veto, and another would propose that no activity should benefit a political body. Maybe my ears did deceive me, but it was my understanding that this would be the substitute. I am particularly concerned about the changes in the bill passed by the Senate. That is why I ask for a substitute, if it is planned that this be offered.

Mr. LANDRUM. I will state to the gentleman as clearly as I know how to state it that the amendments which we propose are in the RECORD, and I see no need to publish them in the RECORD. As a matter of fact, there is a comparative print available in sufficient numbers for all to have a copy if they wish.

Mr. FRELINGHUYSEN. Mr. Chairman, that is not correct. If in the proposed substitute there is a reference to a broadened veto, that is not in the Senate bill. If there is a reference to the proposed prohibition of benefits going to political parties, that is not in the Senate bill.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself an additional min-

ute, because I still think there has been a lack of clarification on the part of the gentleman from Georgia as to whether the substitute will be simply the Senate-passed bill or something else, such as a further modification of the Senate-passed bill.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I am glad to yield, and this time I hope to get some information.

Mr. LANDRUM. One more time I shall state, the substitute which we shall offer will be the bill passed by the Senate with the additional amendment to the Smathers amendment that the veto power extended to the Governor by the amendment be carried over to public agencies as well as to private institutions, and with one additional amendment, that no funds appropriated under the authority of this bill shall accrue to the benefit of a political party.

Mr. FRELINGHUYSEN. Mr. Chairman, if necessary, I will yield myself an additional minute, because the gentleman from Georgia has finally confirmed what I thought he had stated earlier. He now tells us that the substitute will not be the bill passed by the other body but the bill passed by the other body with two major amendments. It is with respect to the language of the two major amendments that I am requesting information today. We should have knowledge as to just what we are supposed to be considering, and further amending, if that is going to be the case. Do I understand from the gentleman that he refuses to give us the language of the proposed substitute, including the changes in the bill passed by the Senate?

Mr. LANDRUM. Certainly we will be glad to provide you with that language.

Mr. FRELINGHUYSEN. In the RECORD, Mr. Chairman. I think every Member is entitled to it.

Mr. LANDRUM. I put it in the RECORD a half dozen times this afternoon.

Mr. FRELINGHUYSEN. No, sir; you have not put anything in the RECORD with respect to that language.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself 2 additional minutes.

The CHAIRMAN. The Chair will remind the gentleman from New Jersey that we cannot put anything in the RECORD in the Committee until we get back in the House.

Mr. FRELINGHUYSEN. The gentleman from Georgia just said he has put it in the RECORD and now the Chair says he could not have put it in the RECORD. My request is that at some point, either during the debate in Committee or when we come back in the House, that the gentleman from Georgia will reveal the language he is proposing to offer which will change the Senate-passed bill. I request unanimous consent that this language be made available. I do not think the suggestion is an extreme one, and I would hope my request is a reasonable one.



Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. GOODELL. Judging from the huddle going on over there, they are just now trying to find out.

Mr. FRELINGHUYSEN. I suspect that they do not know; but may I ask the gentleman from Georgia whether he now believes he did or did not put in the RECORD the proposed amendments during today's discussion of this bill?

Mr. LANDRUM. Mr. Chairman, if it will expedite matters and satisfy the gentleman from New Jersey we have no objection to placing the entire amendment in the RECORD.

The referred-to amendment follows:

AMENDMENT TO H.R. 11377 OFFERED BY MR. LANDRUM

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Economic Opportunity Act of 1964'.

#### "FINDINGS AND DECLARATION OF PURPOSE

"SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

#### "TITLE I—YOUTH PROGRAMS

##### "Part A—Job Corps

##### "Statement of Purpose

"SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

##### "Establishment of Job Corps

"SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

##### "Job Corps Program

"SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

"(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the

immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

"(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

"(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

"(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

"(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

##### "Composition of the Corps

"SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.). Only in exceptional cases shall enrollees in the Corps be graduates of an accredited high school, and no person shall be accepted for enrollment in the Corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

"(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

"(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

##### "Allowance and Maintenance

"SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

"(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however*, That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Di-

rector. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

##### "APPLICATION OF PROVISIONS OF FEDERAL LAW

"SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

"(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

"(c) (1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term 'employee' as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

"(2) For purposes of this subsection:

"(A) The term 'performance of duty' in the Federal Employees' Compensation Act shall not include any act of an enrollee—

"(i) while on authorized leave or pass; or

"(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

"(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1)) shall apply to enrollees.

"(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

"(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

"(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

##### "Political Discrimination and Political Activity

"SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.



"(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates.

"(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

#### "State-Operated Youth Camps

"SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

#### "Requirement for State Approval of Conservation Camps and Training Centers

"SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

#### "Part B—Work-training programs

##### "Statement of Purpose

"SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

##### "Development of Programs

"SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities hereinafter authorized, which whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

##### "Financial Assistance

"SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

"(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

"(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills

or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

"(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

"(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

"(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

"(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however*, That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

"(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

"(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

##### "Enrollees in Program

"SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

"(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

"(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

##### "Limitations on Federal Assistance

"SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

##### "Equitable Distribution of Assistance

"SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such cri-

teria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

#### "Part C—Work-study programs

##### "Statement of Purpose

"SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

##### "Allotments to States

"SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

"(b) Of the sums being allotted under this subsection—

"(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States.

"(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all States, and

"(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

"(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

"(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

##### "Grants for Work-Study Programs

"SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963 (Public Law 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.



### "Conditions of Agreements"

"SEC. 124. An agreement entered into pursuant to section 123 shall—

"(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

"(1) for the institution itself, or

"(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

"(A) the work is related to the student's educational objective, or

"(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

"(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

"(c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

"(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

"(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

"(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

"(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

"(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

### "Sources of Matching Funds"

"SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

### "Equitable Distribution of Assistance"

"SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

### "Part D—Authorization of appropriations"

"SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

### "TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS"

#### "Part A—General community action programs"

##### "Statement of Purpose"

"SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

##### "Community Action Programs"

"SEC. 202. (a) The term 'community action program' means a program—

"(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a 'community'), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

"(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

"(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

"(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (other than a political party), or a combination thereof, with maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

"(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

##### "Allotment to States"

"SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so re-

served shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

"(b) Of the sums being allotted under this subsection—

"(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

"(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

"(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

"(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

##### "Financial Assistance for Development of Community Action Programs"

"SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

##### "Financial Assistance for Conduct and Administration of Community Action Programs"

"SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation,



housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

"(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

"(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

"(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

#### "Technical Assistance

"SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

#### "Research, Training, and Demonstrations

"SEC. 207. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

#### "Limitations on Federal Assistance

"SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

"(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

#### "Participation of State Agencies

"SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

"(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

"(c) In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however,* That this section shall not apply to contracts, grants, loans, or other assistance to any institution of higher education in existence on the date of the approval of this Act.

#### "Equitable Distribution of Assistance

"SEC. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; and (6) persons rejected for military service.

#### "Preference for Components of Approved Programs

"SEC. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

#### "Part B—Adult basic education programs

##### "Declaration of Purpose

"SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

##### "Grants to States

"SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

"(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

"(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimu-

late the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

"(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

"(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

#### "State Plans

"SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

"(1) provides for administration thereof by the State educational agency;

"(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

"(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

"(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

"(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

"(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### "Allotments

"SEC. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may



be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

"(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

#### "Payments

"Sec. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments: except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

"(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

#### "Operation of State Plans; Hearing and Judicial Review

"Sec. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

"(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

#### "Miscellaneous

"Sec. 218. For purposes of this part—

"(1) the term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

"(2) the term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

#### "Part C—Voluntary assistance program for needy children

##### "Statement of Purpose

"Sec. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

##### "Authority To Establish Information Center

"Sec. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning

deserving and needy children as the Director shall deem appropriate.

"(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

#### "Part D—Authorization of appropriations

"Sec. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### "TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

##### "Statement of Purpose

"Sec. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

#### "Part A—Authority to make grants and loans

"Sec. 302. (a) The Director is authorized to make—

"(1) loans of not to exceed \$1,500 to low-income rural families where, in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

"(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

"(B) operate or improve the operations of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

"(C) participate in cooperative associations; and

"(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, to finance nonagricultural enterprises which will enable such families to supplement their income.

"(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs. The Director may reduce or release obligations resulting from a loan made under this section if he finds that the debtor has attempted in good faith to comply with his loan obligations and that either the objective for which the loan was made will likely not be achieved or the indebtedness exceeds the debtor's reasonable payment ability.

##### "Cooperative Associations

"Sec. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

##### "Limitations on Assistance

"Sec. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

"(a) the providing of such assistance will materially further the purposes of this part, and

"(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.



#### "Loan Terms and Conditions"

"SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

"(a) there is reasonable assurance of repayment of the loan;

"(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

"(e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and

"(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

#### "Part B—Assistance for migrant agricultural employers and their families"

"SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

#### "Part C—Authorization of appropriations"

"SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

#### "Part D—Indemnity payments to dairy farmers"

"SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

"(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

"(c) The authority granted under this section shall expire on January 31, 1965.

#### "TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES"

##### "State of Purpose"

"SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business con-

cerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

#### "Loans, Participations, and Guaranties"

"SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

#### "Coordination With Community Action Programs"

"SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

#### "Financing Under Small Business Act"

"SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

#### "Loan Terms and Conditions"

"SEC. 405. Loans made pursuant to section 402 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations—

"(a) there is reasonable assurance of repayment of the loan;

"(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

"(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

#### "Limitation on Financial Assistance"

"SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

#### "Duration of Program"

"SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

#### "TITLE V—WORK EXPERIENCE PROGRAMS"

##### "Statement of Purpose"

"SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

#### "Payments for Experimental, Pilot, and Demonstration Projects"

"SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a)(1)-(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

#### "Authorization of Appropriations"

"SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### "TITLE VI—ADMINISTRATION AND COORDINATION"

##### "Part A—Administration"

##### "Office of Economic Opportunity"

"SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

"(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332-3(b)), at any time after one year from the date of enactment hereof



the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

"(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

"(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

"(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

#### "Authority of Director

"SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

"(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

"(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

"(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

"(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

"(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

"(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

"(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

"(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

"(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

"(j) adopt an official seal, which shall be judicially noticed;

"(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles II and IV of this Act;

"(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

"(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

"(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

#### "Volunteers in Service to America

"SEC. 603. (a) The Director is authorized to recruit, select, train, and—

"(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

"(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory work-

ers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

"(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

"(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

"(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

#### "Economic Opportunity Council

"SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

"(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### "National Advisory Council

"SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### "Revolving Fund

"SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

"(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close



of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

"(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriations from which advanced, where it shall be held for future advances.

"(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures to the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

#### "Labor Standards

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### "Reports

"SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### "Definitions

"SEC. 609. As used in this Act:

"(a) The term 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term 'United States', when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

"(b) The term 'agency', unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

"(c) The term 'family,' in the case of a Job Corps enrollee, means—

"(1) the spouse or child of an enrollee, and

"(2) any other relative who draws substantial support from the enrollee.

#### "Part B—Coordination of antipoverty programs

##### "Coordination

"SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

"(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports and other ma-

terials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

"(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

"(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

"(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

"(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

"(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

#### "Preference to Community Action Programs

"SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### "Information Center

"SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### "Prohibition of Federal Control

"SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### "Authorization of Appropriations

"SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

### "TITLE VII—TREATMENT OF UNEMPLOYMENT COMPENSATION BENEFITS AND INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

#### "Unemployment Compensation

"SEC. 701. (a) No individual who otherwise is entitled, under title XV of the Social Security Act or the unemployment compensation law of any State, to any unemployment benefit shall be denied such benefit, or have such benefit reduced, solely because he or any other person participated in any work, training, or other activity, provided by any program established by, pursuant to, or assisted under, title I or II of this Act.

"(b) No individual shall be denied participation in any work, training, or other activity provided by any program established by, pursuant to, or assisted under, title I or II of this Act solely because he, or any other person, receives, or is entitled to receive, any benefit under any unemployment compensation law.

#### "Public Assistance

"SEC. 702. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

"(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

"(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

"(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

"(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a)."

Mr. FRELINGHUYSEN. I thank the gentleman from Georgia. I am sorry that I had to take 5 minutes of our precious time to get this concession.

Mr. LANDRUM. Mr. Chairman, I will see that the gentleman from New Jersey gets an exact copy of it.

Mr. FRELINGHUYSEN. My request was not that the gentleman from New Jersey have it, but that every Member of the House have it and that it be incorporated in the RECORD.

Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. RICH].

Mr. RICH. Mr. Chairman, it has been estimated that the antipoverty bill will provide for the expenditure of some \$947½ million for the first year of its operation and that this will merely be the start of the expenditure of many billions of dollars in the years ahead. I thought it might be of interest to you, my colleagues, to think back and contemplate the cost of the Work Projects



Administration and the Public Works Administration programs some years ago, and while I realize that in the intervening years inflationary processes have changed our financial status, yet this dollar-to-dollar comparison is the only one we can make.

**Work Projects Administration:** The Works Progress Administration was created by Executive Order No. 7034 of May 6, 1935, under authority of the Emergency Relief Appropriation Act of 1935. Its primary purpose was to carry on a program of public works projects in co-operation with State and local authorities and to assist the unemployed by providing work opportunities on such projects. Reorganization Plan No. 1, which became effective on July 1, 1939, provided that the Works Progress Administration should be incorporated into the Federal Works Agency and its name changed to the Work Projects Administration. In a letter from the President to the Federal Works Agency Administrator on December 4, 1942, liquidation of this program was authorized.

In the "Final Report on the WPA Program," issued by the Federal Works Agency, the total cost of WPA operations for the 8-year period from 1935 through 1943 are reported as amounting to \$10,750,500,969. Of this total, \$10,568,796,592 was spent by the WPA and \$181,705,000 was disbursed by other Federal agencies cooperating in this program.

**Public Works Administration:** The National Industrial Recovery Act of June 16, 1933, provided for the creation of the Federal Emergency Administration of Public Works. Although, even in its early years, this agency was known as the Public Works Administration, it was not until July 1, 1939, that it was officially designated as such. Reorganization Plan No. 1, which became effective on July 1, 1939, consolidated the Federal Emergency Administration of Public Works into the Federal Works Agency to be administered as the Public Works Administration. PWA was scheduled to expire on June 30, 1942, under authority of the Public Works Administration Appropriation Act of 1938. Its life was later extended to June 30, 1943, by the Independent Offices Appropriation Act for the fiscal year 1943.

The work of this agency essentially was to encourage the construction of useful public works as a means of alleviating the problem of unemployment and stimulating economic recovery. It was authorized to develop long-range plans for a comprehensive program of public works projects which would include the construction, repair and improvement of highways, parkways, public buildings and other facilities. It was also empowered to extend loans and grants to States, municipalities and other public agencies for non-Federal projects and to finance the construction of certain Federal public works projects.

We have not been able to find in the Library of Congress a report which gives a final summary of the accomplishments of the Public Works Administration. However, in the "Third Annual Report of the Federal Works Agency for 1942," the following data were found which

give some indication of the total cost of operations of this program through June 30, 1942:

|                           |                 |
|---------------------------|-----------------|
| Number of projects.....   | 34,524          |
| Estimated total cost..... | \$6,128,757,391 |
| Total disbursements.....  | \$4,156,387,170 |

|             |                 |
|-------------|-----------------|
| Loans.....  | \$3,346,059,543 |
| Grants..... | \$810,327,627   |

In a similar report made for the following year it was reported that an additional \$31,878,966 had been spent during the fiscal year 1943. This report also disclosed that 97 projects yet remained incomplete involving a total cost of \$274,976,593.

It is apparent, therefore, that the expenditures contemplated by this Congress in times of prosperity will far exceed those expenditures authorized by the Congress during the Nation's worst depression in the 1930's and its aftermath in the early 1940's. I am sure that all of us earnestly seek prosperity and good times for our country and that all Americans agree that persons who are truly needy should be protected and provided for. Yet, I wonder if this program, so highly recommended by the administration, is the best one for attaining our goals. We should, and must, learn by the lessons of the past. In my humble opinion, it seems to me that this Congress should hesitate before the adoption of such a staggering financial program in an effort to make sure that we are going in the right direction. Adding financial burden upon financial burden really does not seem the clear path to stability, prosperity and a continuing progression of a sound economy.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. AYRES].

(Mr. AYRES asked and was given permission to revise and extend his remarks.)

Mr. AYRES. Mr. Chairman, H.R. 12040 will be offered or a substitute in the exact form printed below:

H.R. 12040

A bill to establish a National Human Resources Development Commission

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Human Resources Development Act of 1964".

#### FINDINGS AND DECLARATIONS OF PURPOSE

SECTION 1. Through the economic system of free enterprise, nurtured under a free society in which the powers of government are limited and decentralized so as to encourage maximum participation and responsibility on the part of individual citizens, the economic and social well-being of the United States have progressed to a level unequalled in world history. The opportunities for personal advancement and the benefits of widespread prosperity, although far exceeding that available to the citizens of any other nation, are unavailable to some citizens of the United States because of their lack of education, lack of training in marketable skills, location in areas afflicted by long-term economic dislocation, or condition of dependency due to social conditions over which they have little control.

It has always been the policy of the United States, implemented by numerous Acts of the Congress and of State and local governments, to foster a society in which every per-

son who is willing to work has the opportunity to live in decency and dignity. In order to more fully effectuate that policy, the Congress finds it necessary:

(1) To review the scope, cost, and effectiveness of all existing programs presently maintained or assisted by the Federal Government to combat the causes and effects of poverty in the United States;

(2) To examine into and analyze the underlying causes of poverty in the United States, including but not limited to the factors of mental and physical capability, industrial dislocation, geographical immobility, lack of proper education and training, and unemployment;

(3) To define those areas of unmet community and individual needs to which new programs need be directed or established programs redirected to more effectively deal with the causes and effects of poverty in the United States;

(4) To assess the most effective means of meeting the problems of poverty in a manner designed to accomplish the maximum degree of self-sufficiency and the minimum degree of dependency among our citizens; and

(5) To recommend specific administrative and legislative action which should be taken by the Federal, State, and/or local governments in meeting their responsibilities to effectively overcome the causes and effects of poverty in the United States.

SEC. 2. In order to carry out the objectives of this Act there is hereby established the National Human Resources Development Commission, hereinafter referred to as the "Commission".

SEC. 3. The Commission shall be composed of eighteen members, twelve of whom shall be public members, appointed by the President, by and with the advice and consent of the Senate. The remaining six members shall be appointed as follows: Three, who shall be Members of the Senate, not more than two of whom shall be members of the same political party, shall be appointed by the President pro tempore of the Senate; three, who shall be Members of the House of Representatives, not more than two of whom shall be members of the same political party, shall be appointed by the Speaker of the House. The public members of the Commission shall be drawn from representative segments of the Nation such as industry, labor, education, manpower development and utilization, and related fields. One of such public members shall be designated by the President as Chairman of the Commission. Ten members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its power, but shall be filled in the same manner in which the original appointment was made.

SEC. 4. The Commission shall make a comprehensive and impartial study and make recommendations from time to time as needed for constructive action in the areas designated in section 1 of this Act.

SEC. 5. Public members of the Commission appointed from outside Government shall each receive \$100 per diem when engaged in the actual performance of duties of the Commission.

SEC. 6. There is hereby established a Federal Interagency Committee consisting of the heads of the Departments of Agriculture, Labor, Commerce, Defense, Health, Education, and Welfare, Chairman of the Council of Economic Advisers, Administrator, Small Business Administration, Administrator, Housing and Home Finance Agency, and Director of Bureau of the Census, or their designees, to advise the Commission and to maintain effective liaison with the resources of such Departments and agencies. The Secretary of Labor and the Secretary of Health, Education, and Welfare shall serve as Co-chairmen of the Committee.



SEC. 7. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provision of the civil service laws and the Classification Act of 1949, as amended. In addition, the Commission may procure temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed \$75 per diem for individuals.

(b) The Commission is authorized to appoint an executive secretary to oversee the work of the staff under the general direction of the Commission.

SEC. 8. All members and other personnel of the Commission shall be reimbursed for travel, subsistence, and necessary expenses in accordance with law.

SEC. 9. The Department of Health, Education, and Welfare shall provide the Commission necessary administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Commission and the Secretary of Labor.

SEC. 10. The Commission, or on the authorization of the Commission, any subcommittee or panel thereof, may, for the purposes of carrying out its functions and duties, hold such hearings and sit and act at such times and places as the Commission or such subcommittee may deem advisable.

SEC. 11. The Commission is authorized to negotiate and enter into contracts with private organizations to carry out such studies and to prepare such reports as the Commission determines to be necessary in order to carry out its duties.

SEC. 12. The Commission is authorized to secure directly from any executive department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, and instrumentality is authorized and directed to cooperate with the Commission and, to the extent permitted by law, to furnish such information to the Commission, upon request made by the Chairman.

SEC. 13. The Commission shall submit a final report of its findings and recommendations to the President and the Congress by June 30, 1965. The Commission shall cease to exist thirty days after submitting its final report.

SEC. 14. There are hereby authorized to be appropriated to the Commission, out of any money in the Treasury not otherwise appropriated, such sums not in excess of \$1,500,000, as may be necessary to carry out the provisions of this Act.

(Mr. GILBERT (at the request of Mr. LANDRUM) was given permission to extend his remarks at this point in the RECORD.)

Mr. GILBERT. Mr. Chairman, passage of the bill before us, the Economic Opportunity Act of 1964, has been anxiously and prayerfully awaited by the millions of poor people in our Nation, as well as by communities, civic and public leaders, and conscientious Americans throughout our country. I introduced a bill identical with the administration's bill, to show my strong support; I testified before the Committee on Education and Labor when hearings were held and urged approval of the bill. I am happy to have the opportunity to cast my vote in favor of the bill. This Congress must take favorable action now so that the crusade against poverty can begin and

the programs provided can be implemented.

To the opponents of this measure I would point out that the 80 percent of our population in comfortable circumstances has now been alerted to the sad and deplorable plight of the 20 percent which is poverty stricken, and this Congress has the responsibility to afford them the opportunity to take part in the "unconditional war on poverty" requested by the President. Since the day that the President outlined his program, thousands of editorials, feature stories, and articles have been written on the subject; the needs of our poor have been graphically placed before us. The poor of our Nation have been termed "the invisible Americans." They are no longer invisible; our eyes have been opened and we have been forced to see them and to recognize them wherever they are, and they are everywhere, in every city and in every region. I repeat a statistic which you have now heard many times; one out of every five Americans lives in poverty. Thirty-five million Americans are poor and without hope, and we are the richest Nation on earth. We stand shamed in the eyes of the world because of our gross neglect.

Great leaders from every walk of life, representatives of labor organizations, educators, social workers, civic leaders, city, county, and State officials, testified before the committee in charge and urged approval.

Perhaps no bill in our history has aroused so much enthusiasm, so much interest, so much willingness to help one's fellow man, as has the one before us. I have received many communications from my constituents telling me of their great interest and their wish to do all they can to help; many groups are now being formed in my district for the purpose of cooperating to the fullest in carrying out the programs; individuals are ready to volunteer their services, and eagerly await the opportunity to do so. I believe that this spirit of good will exists throughout our Nation and that right-thinking Americans and all who desperately need the assistance provided, expect their Representatives to cast their votes in favor of the program and that they will be grievously shocked at any negative action.

My district, the 22d District of New York, is one which contains many of the poverty stricken. Our problems are so vast and overwhelming that they cannot be solved by the city of New York alone; we must have the Federal assistance provided by this bill. Ample testimony was given the committee to prove that no municipality, no State, no community, can do the job alone. We must put to use all the powerful weapons at our disposal; knowledge possessed by our governmental agencies, the initiative of local communities, and the determination of dedicated Americans who wish to help.

It is commendable that in the programs contemplated, the emphasis has been placed on the youth of our Nation. The proposed Job Corps, the work training program, and the work study program, will be of inestimable value to hundreds of thousands of our young people

who are today without hope, without education, without training, without jobs. When we help them to help themselves, we break the vicious cycle of poverty which enmeshes families from generation to generation. When we make it possible for them to learn skills, develop their full potential in education, help them to become self-respecting, give them hope and a constructive program and goal in life, then we are saving them from a life of bitterness, frustration, juvenile delinquency, and crime. The futures of these young people are in our hands today. We are faced by an awesome responsibility; do we save our youth or do we relegate them to a lifetime of terrible deprivations? I emphasize that the future of our Nation rests upon the shoulders of our youth; all of our youth, not a favored few. All are entitled to education and economic opportunities, and all must be adequately equipped for good citizenship and its demands if we expect to retain our leadership in world affairs.

The community action, adult basic education, and rural antipoverty programs provided in the bill are also vitally important and necessary. All help to eliminate the root causes which make people poor.

Even as cold statistics cannot measure the terrible despair suffered by the poor, so there is no yardstick by which we can measure the full extent of the benefits which will accrue by implementation of this bill, the dawn of hope, the chance for education, training, and employment, for the realization of ambitions and plans for their children, now beyond the reach of so many.

It has been pointed out many times that this bill represents a prudent program. It is particularly beneficial, because it provides equal opportunity, self-help, and cooperation among Government, industry, and private organizations in a common cause. It does not represent handouts but lays the groundwork for a realistic undertaking which will give people a chance to become self-supporting, to take their rightful place in our society, to be able to walk through life with dignity and not be objects of charity.

All Members of Congress have received many pleas for passage of this bill. The need for this legislation has been strongly shown; irrefutable evidence was presented to the Committee on Education and Labor to the effect that this bill is of vital importance to all regions of our country. It is the duty of this Congress to pass the bill. This is no time for political maneuverings or to seek political advantage; this is the time for an honest, clear look at the facts and positive, effective action to combat one of our Nation's gravest ills, poverty.

I welcome this opportunity to help fulfill the hopes of the millions of our unfortunate citizens who look to us for the assistance provided. I am convinced that the war on poverty can, and must, be won. To desert our poor and refuse them the help provided by the legislation before us is unthinkable.

Mr. MINISH. Mr. Chairman, Americans today face one of the most impor-



tant decisions of this century. No one can make it for them and the so-called equalizing forces of the economic system can no longer be depended on to provide automatic solutions. Americans must decide whether they will, or will not, make a full scale effort to eliminate poverty in the United States.

Many of us thought that this question had been settled in the 1930's. We took seriously the pledges of the New Deal as did those who made them. But as John F. Kennedy said during the 1960 campaign:

But the job which Franklin Roosevelt set out to do in 1935 is not yet done—that opening battle was won—but the war against poverty and degradation is not yet over.

The noble goal to alleviate the plight of our needy citizens has been undercut by those who have let poverty go unnoticed on the back streets of our placid suburban communities, and multimillion-dollar uptown developments.

These well-situated citizens would like to wish away the some 4 million Americans who are unemployed. They would also like to ignore the fact that 14 million families and unrelated individuals have incomes of less than \$2,000 a year.

By regarding the situation of these unfortunate people as the product of their own laziness or irresponsibility many otherwise thoughtful Americans absolve themselves of any responsibility in this matter. According to them, poverty and unemployment are personal problems that can only be solved by a basic change in the attitudes of the poor and the unemployed.

Even a cursory investigation into who is poor and who is unemployed should serve as a deterrent for such meaningless generalizations, and yet these ideas persist.

Today there is hope that the magnitude of poverty in the United States will be exposed to such an extent that the thoughtless will no longer be able to remain insulated from the real world. Much is being written and much is being said about the condition of some 40 or 50 million Americans who are, by any reasonable standard, poor. Let us review some of the facts regarding who is poor in our "affluent society," and outline a few of the suggestions regarding the correction of this deplorable situation.

First, there are the 4 million unemployed. The people of this Nation must begin to realize that an uncomfortably high level of unemployment has become a characteristic of the U.S. economy. Since 1957, unemployment has averaged 6 percent of the labor force. This is the highest long-run rate since the depression. We must also accept the fact that this sort of unemployment cannot be attributed to a basic human aversion to work. In light of a recent Labor Department study it is difficult to see any future for this sort of rationalization which ignores the real problem we face.

The Department of Labor made a survey of the nearly 10 million persons who were out of work a month or more in 1961. The conclusion drawn from this study was that those surveyed showed a strong desire to remain in the labor force and were willing to accept lower paying

jobs or shift to a different type of work to get back on a payroll. Furthermore, the study noted that all those surveyed had tried to find work by at least one standard method and 87 percent had used two or more approaches.

I would like to stress that this is the first survey of this type undertaken in the United States and that all past contentions have been based on unscientific generalizations. Therefore there is every reason to believe that the findings of the Labor Department study present a true picture of the attitudes of our unemployed.

Another important finding in this study has to do with the characteristics of the unemployed. If these people are trying to find work, then it is important to know why they have been unsuccessful. The report indicates that the jobless, as a rule, were less educated than the average worker and more likely to be in less skilled, lower paying occupations. Seventy percent were men and the vast majority were in the prime working years from 20 to 64.

This tends to support the contention of Charles Killingsworth, Michigan State University economist, who has argued that the prime cause of current high rates of unemployment are structural imbalances in our economy. That is to say that rapid technological advances have reduced the need for blue-collar, low-skilled, and uneducated workers—whom we have in superabundance—while these same advances have increased the demand for highly educated workers—who are in short supply.

If this be the case, we are dealing with a problem that will grow by leaps and bounds as the economy advances. More and more men will fall into the unemployable category as automation takes its toll. Answers must be found that will realistically deal with this dilemma. Economic growth must not come to mean the growth of human misery due to the frustrations of unemployment.

We must bear in mind, however, that the unemployed in this country make up only a portion of those who are living in poverty. A second question that confronts American society is what shall be done about the continued inequities in the distribution of income in the United States.

Most of us have assumed that there has been a redistribution of income going on in the United States that would eventually lead to a more equitable share of total income going to all groups. While it is true that income has been growing in constant dollars, and that since 1929 the total share of the Nation's income going to the highest one-fifth of the population has been reduced, it is also true that the share of national income going to our poorest fifth has changed little since 1929 and not at all since 1944.

Herman P. Miller, of the Bureau of the Census, has done a fine job in exposing the income redistribution theory as largely myth. In a recent Census publication Miller shows that 42 percent of the 45 million families and 13 million unrelated individuals in the United States received only 14 percent of the

\$332 billion national income in 1959. These 24.5 million families and individuals received less income than their 2.1 million counterparts who had incomes of more than \$15,000 a year. More dramatically, all of these low-income families and individuals had annual incomes of less than \$4,000, and 23 percent has incomes of less than \$2,000.

These are the people that Michael Harrington writes about in his recent book, "The Other American." Harrington calls these unfortunates our "invisible poor" and he advises us that they number 40 to 50 million people at present. Who are these people?

Miller tells us that the aged form the single largest bloc in the low-income group. Most of them are in retirement and live on social security pensions. Second, are the families with no workers who live on pensions, welfare payments, or other types of income other than earnings. Third, we find families with a female at the head of the household. Many of these families include mothers with young children, and it is difficult for these mothers to be wage earners. Some work only part time or in low-paying jobs. Fourth, there are the Negroes. Although they make up only 10 percent of the population they constitute 21 percent of the low-income group. Harrington refers to these people as "the rejects" of modern society.

Can it be that America has become so crass in its affluence that it no longer looks upon the poverty of fellow Americans as an intolerable indignity? Are we so self-satisfied and self-seeking that we are no longer moved to action by the disclosure of such conditions?

The President has answered that question by setting the stage for a great revival of humanism in this country. In his State of the Union message President Johnson made the following observation and commitment:

Unfortunately many Americans live on the outskirts of hope—some because of their poverty and some because of their color, and all too many because of both.

Our task is to help replace their despair with opportunity. And this administration today here and now declares unconditional war on poverty in America.

The bill before the House today, the Economic Opportunity Act of 1964, is designed to put these words into action. Of course, this measure alone cannot by itself win the fight against the Nation's most dangerous domestic enemy. Many more specific measures are required to create adequate economic opportunities for the millions who are now stranded on the islands of poverty in our affluent society. Poverty can be destroyed only by a concentrated and simultaneous attack on all its causes. Our objective must be to cure it, not merely relieve the symptoms of poverty.

The Economic Opportunity Act, however, is an essential weapon in the fight against poverty. It is significant that those most involved with the problems of poverty and dependency—the Governors and mayors and other officials of our great metropolitan areas—have given H.R. 11377 their enthusiastic endorsement. The Governor of New Jersey, the



Honorable Richard J. Hughes, has called this legislation "an effort to restore the soul of America, an investment in saved taxes as well as human values."

Poverty is a needless waste of our most valuable natural resource—our people. The millions whose minds, bodies, and spirits have been ravaged by poverty could be gainfully employed, contributing to the growth of our economy, providing purchasing power to pump new dollars into our economy and paying taxes to support their local, State, and Federal governments. Instead, they drain already existing resources.

H.R. 11377 is a bold attempt to end that waste by giving our people mired in depressed areas and festering urban slums an opportunity to share in the promise of this Nation. It is both the freedom and the responsibility of those who love democracy to make choices regarding the goals of our society. These things cannot be left to the chance workings of an impersonal economic system nor to the authoritarian dictates of the bureaucracy. Americans must choose to eliminate poverty and commit their time and energy to seeing the job through or it will never be done.

Mr. BOLAND. Mr. Chairman, today I wish to speak in behalf of H.R. 11377—the Economic Opportunity Act of 1964. In my opinion, it is one of the most worthy and significant proposals we have considered in recent years. I urge its speedy passage and enactment as a major step in eliminating a gigantic domestic problem.

Poverty in America is a phrase with a disturbing ring to it, disturbing because poverty here should have disappeared long ago, as the victim of the progress and prosperity which most of us have experienced. Perhaps, in absolute terms, American poverty is not as extreme as the poverty of India or North Africa or South America where deprivation is the norm and prosperity the exception. But it is in a relative sense that we must consider this problem at home. We live in a country where the rate of growth is phenomenally rapid. Why—if such is the case—do 20 percent of our people remain poor? Why are their efforts not utilized in our forward progress for the benefit of the economy, the society and themselves? We have grown without the help of one-fifth of our people but with their help we could have done more. To allow this to continue is an unconscionable waste of human resources and an unnecessary loss in human welfare.

Our youth especially should be lifted up from need. Children form a considerable percentage of the poor—children without fathers living in the home, children of minority groups, children of poor rural areas. We must offer the children of poverty the same advantages we offer our more fortunate youth so that they do not have to follow the pattern that their parents have lived before them.

The unemployment rate of young people is 17 percent—three times the average unemployment rate for the entire civilian labor force. This in itself

explains why we must be concerned that our young men and women are trained to compete for jobs in an increasingly complex and demanding world. Without this training, they will only continue the trend that we must now try to break—and we will see increases in youth crime and the waste of their capabilities and talents that were never developed. We must prepare them for a future unblighted by joblessness and need. This bill provides some programs for these young people. Under the provisions residential youth camps and training centers in both urban and rural areas will provide work training for those who have left school and are jobless and for those who can benefit from training while continuing in school. It will give to youths who cannot now afford it, the chance for higher education through a work-study program.

The pending legislation does more than provide a way out of poverty for young people. It offers many others who stayed behind a chance to catch up with the rest of the country. It will offer the rural poor an opportunity to enlarge their base of income by expansion and improvement of their holdings; it will allow the marginal businessman to secure his footing and stabilize his enterprise; it will allow the welfare recipient to learn a trade and once again to earn the means of providing a livelihood for himself and his family; it will allow the stricken community the assistance to work to solve its own problems with its own self-tailored multifaceted program of improvements.

Poverty is an anachronism in America. This legislation will perhaps not provide all the answers, but the proposals it contains represent a start. President Johnson gave his reasons for submitting this bill. For the same reasons, I support the Economic Opportunity Act—"because it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty."

Mr. Chairman, I think it most appropriate at this time to call to the attention of my colleagues a series of seven articles on aspects of poverty in my home city of Springfield, Mass. These revealing and in-depth stories appeared in the Springfield Union early in June, and I ask unanimous consent approval to have them printed at this point in the RECORD for my colleagues to peruse:

[From the Springfield (Mass.) Union, June 9, 1964]

#### IN OUR OWN BACKYARD: CITY TO BE BATTLEGROUND IN WAR AGAINST POVERTY

(This is the first of seven articles on aspects of poverty in Springfield. Since the President's announcement of a war on poverty, much has been written about the national problem. The series is an attempt to fit Springfield into the national picture.)

The war on poverty may begin soon but no one knows where it will lead or when it will end.

Any unconditional war on poverty must meet some of the largest social questions of the time.

#### TWO REVOLUTIONS

Two of those questions are so thorny they are being called revolutions: the rising of the American Negro and the spread of automation.

And the war will have to be waged not only in Washington and the South and in Harlem. For those living here, the war will be in Springfield.

Because the problem exists here, specific proposals for Springfield are being worked into a program by a committee combining personnel from the city government and private agencies.

Some of the proposals are coming from city department heads who were asked by Mayor Ryan what programs they would like to institute to fight poverty if money were made available by the Federal Government. The proposals for Springfield will be reviewed in another article in this series.

#### STATISTICAL ANALYSIS

Statistics on the problem gathered from the 1960 census in this city indicate that:

About 15 percent of the families in Springfield—one in every seven—can be classed as poor.

About 5 percent of Springfield families can be classed as destitute.

About 20 percent can be classed as deprived.

These persons are found most among the aged, the nonwhite, the fatherless family, the unskilled and unschooled. Concentrations of poverty exist in the city about where one would expect to find them: in the older, more rundown sections of the city, such as the North End, according to census tract information.

#### MORE VIVID REPORTS

But the quality of the problem of poverty is not adequately told in statistics about income. The health department released information last year which tells more vividly what poverty is like.

A Puerto Rican in a poorer section of the city, the health department pointed out after a study, is 80 times more likely to have tuberculosis than a white person living elsewhere in the city. A Negro is eight times more likely to have the disease. Dr. Lowell Bellin, public health commissioner, is awaiting results of a study of the death of infants in these poorer sections. He suspects infant mortality there is higher than in other sections of the city.

There are few other measurements in the city of physical and mental disease, delinquency and crime, wasted lives, and despair which characterize poverty throughout the Nation.

#### THREE-THOUSAND-DOLLAR THRESHOLD FIGURE

There has been some difficulty in arriving at a definition of poverty, but most agencies dealing with the problem are settling on a threshold figure for family income of \$3,000 a year. For an unattached individual, the figure would be less, probably \$2,000 a year.

The census counted 6,555 such families in Springfield.

A definition of destitution has been offered by Gunnar Myrdal, Swedish economist, in his book, "Challenge to Affluence." He simply takes half the poverty income figure as a threshold figure for destitution. Thus it would be \$1,500 a year for a multiple-person family and \$1,000 a year for an unattached individual.

There were about 2,100 such families in Springfield when the 1960 census was taken.

#### "DEPRIVED" CLASSIFICATION

Although the poverty program will be dealing with the poor, there are many families in Springfield whose level of income is not really adequate. Myrdal classes these as deprived.

Their level of income is not at what the U.S. Department of Labor termed in a 1960 issue of the Monthly Labor Review as "modest but adequate." The modest but adequate level, according to the Labor Department, would maintain a family at a level of adequate living, according to prevailing standards of what is needed for health, efficiency,



nurture of children, and for participation in social and community activities.

The Department estimated the modest but adequate level for 20 large cities in 1960 and placed the level in Boston at \$6,317. An informed guess might place the threshold figure in Springfield at \$5,000 a year.

The 1960 census found about 20 percent of Springfield families in this struggling shadow area of between \$3,000 and \$5,000 a year income, a total of 9,132 families.

#### FIGURES INCLUDE AID

All the figures, according to the U.S. Census Bureau, include transfer payments such as welfare aid.

The poor, according to a U.S. Department of Health, Education, and Welfare publication, are those whose basic and irreducible needs exceed their means to satisfy them.

But the statistics are somewhat deceiving, for there are groups within the poor who are in worse shape than others. Although the poor are all in desperate straits, some are more so than others.

(Next: The aged poor in Springfield.)

[From the Springfield (Mass.) Union,  
June 10, 1964]

#### WAR AGAINST POVERTY: II: FINANCIAL PINCH HARDEST FOR MANY IN OVER-65 AGE GROUP IN CITY

One of the large pockets of poverty in Springfield exists among those over 65, judging from data processed by the staff of the community renewal program.

#### INCOME UNDER \$1,000

Information gathered in the 1960 census showed that of those over 65 in the metropolitan district, above 40 percent—2 of every 5—had incomes of less than \$1,000 a year.

The picture would be the same if the figures were restricted to the city alone, according to CRP. An official of the U.S. Census Bureau said the figures include transfer payments such as welfare aid and social security.

Typically now, the elderly person lives alone. An income of \$1,000 a year or less for a lone individual can be classed as destitution. Another 27 percent of those over 65 had incomes of between \$1,000 and \$2,000, according to the CRP.

The total of those over 65 living on an income under the threshold figure for poverty was 67 percent, more than two-thirds of the elderly in the district. There is little reason to believe that the situation has changed since the figures were collected in 1960.

#### WOMEN'S PLIGHT WORSE

Among the elderly, women seem to be in worse plight than men, perhaps because there are more of them and because most pensions stop with the death of the husband.

The median income of men between 65 and 74—the half-way mark between the lowest and the highest incomes in the group—was \$2,348 a year in the metropolitan district, and for men 75 and over, \$1,405.

The figures for women: Between 65 and 74, the median income is \$910; for women 75 and over, the figure drops to \$785 a year.

According to CRP, 20,235 persons over 65 were counted in Springfield in 1960. Figures from the local social security office indicate that virtually all of them receive monthly social security benefits.

The average such benefit is about \$80 a month. The highest allowable benefit is \$127 a month.

There are indications that for very many of the elderly, the social security check is the most important source of income.

#### DRAW ON SAVINGS

According to George Mack, chairman of the Springfield Council for the Aging, many try to live on social security and whatever amounts they can add from savings, rather than ask for welfare aid.

The resistance, he said, is to giving up a measure of independence. "Many think it is a disgrace to ask for old age assistance," he said.

[From the Springfield (Mass.) Union,  
June 11, 1964]

#### WAR AGAINST POVERTY: III—PRIVATION, DISCRIMINATION SNARES THAT ENTRAP CITY'S NEGROES

The problems of the nonwhite American are so firmly entangled in the problem of poverty that sometimes it is difficult to find out where the one stops and the other begins.

#### TWIN SNARES FOR NEGRO

The Negro in this city is so caught in the twin snares of privation and discrimination, according to an urban league official, that if all barriers of discrimination fell tomorrow, the Negro would still be held fast by poverty.

Educators have pointed out that a Negro child from a poor family often is so demoralized by a poverty-wracked home that he will fail in school and may become a high school dropout.

Without sufficient education and lacking proper motivation he probably is headed for the pool of unemployed, unskilled persons. Without skill to earn sufficient income, he must be counted among the poor and if he rears a family, the children may follow the same dreary circle.

That is, if they grow to adulthood. Dr. Lowell Bellin, public health commissioner, recently reported that the infant mortality rate among Negroes in the city is 40.62 for each 1,000 live births. The mortality rate for white infants is 17.48 for each 1,000 live births, less than half the Negro rate.

Negro leaders here and across the country have made clear they feel the Negro situation is like a room without doors. Civil rights groups in this city as in many others have set out to make a door in that room.

#### NO RACIAL CLASSIFICATION

The school department here is forbidden by law to classify students by race. It is an antidiscrimination law but it also hides the extent of the Negro dropout problem, since there are no statistics on the Negro dropout rate.

Negro leaders in the city contend that a large percentage of the dropouts are nonwhite.

According to a school department official, the department has not tried to gather any statistics on this aspect of the problem, by classifying dropouts by residence, for instance, to find out whether most dropouts come from Negro sections of the city.

The concentration of nonwhites in certain sections of the city, a fact obvious to all residents, has been documented. The 1960 census found 15 census tracts—divisions of the city for ease of study—out of 33 with fewer than 75 nonwhites living in them. There were four tracts with concentrations of more than 1,500 nonwhites and one had more than 4,200.

An official of the Springfield Department of Public Welfare said recently that the department was confident that all those eligible for welfare benefits among the elderly who wished to receive the benefits were enrolled in the program.

The welfare department has no statistical division and could not estimate how many eligibles were left out of the aid programs. However, CRP figures may support Mack's contention that many elderly are hesitant to apply for welfare aid. The total of 1963 cases in old-age assistance and medical aid to the aged, two welfare programs for the elderly, was 3687, about 18 percent of the over-65 population.

#### FORTY PERCENT UNDER \$1,000

But figures already given indicate that about 40 percent of the aged had incomes of

\$1,000 a year or less, including aid payments.

An article on the problems of the aged in Springfield done by the Springfield Union a few years ago indicated that most elderly persons had to live on a very strict budget. In one case the money was budgeted down to the last 50 cents. Even a small rise in ordinary living costs can have a disproportionate effect on such strict budgets of fixed incomes.

Thus, when busfares rose from 25 cents to 30 cents, attendance at the downtown centers of the Golden Age Club and the Hobby Club reportedly suffered a sharp drop.

Another way the elderly apparently cut costs is to live in rundown housing. The CRP compared census tracts showing concentrations of elderly in the city with other census tracts showing concentrations of substandard housing. The correlation or overlapping was "high."

#### SKIMP ON HEALTH CARE

To avoid "going on the welfare" Mack said, many of those over 65 skimp on meals and health care. Sickness is a common ruin of savings accounts among the elderly, he said, and sometimes it is a very demoralizing force.

Two private social agencies in the city, the Community Council and the National Council of Jewish Women, have started a pilot program of bringing food to the elderly in their homes. The program, Meals on Wheels, aims to allay one of the most common complaints of the elderly—loneliness—as well as to furnish properly nourishing meals at low cost.

Apparently there is a need for such a program. The Union's article of a few years ago quoting an elderly woman who was asked what retired persons did when a budget just would not stretch over all the days in a month.

"They don't eat," she said.

#### DEPRESSION DEPICTED

Figures released by the community renewal program, working with the 1960 census data, show the economic depression among the city's Negroes:

The median income of the nonwhite male was about 29 percent lower in the city than the median income for all males here. For the nonwhite female, it was about 9 percent below the median for all females in the city.

The median income is the halfway point between high and low incomes for a group. The median for all males in the city was \$4,432, but the median for nonwhite males was \$3,224. The median for all females was \$1,622, but the median for nonwhite females was \$1,478.

In the whole labor force of the city in 1960, about 6 percent were unemployed. For the nonwhite labor force, the figure was 10 percent.

#### FEWER HOURS WORKED

And the situation may be worse. According to the Urban League, "When at work, nonwhites generally average 2 or 3 fewer hours per week than whites."

As for young workers, according to the Manpower Report of the President, about 3 in 10 nonwhite workers between 16 and 19 were unemployed in 1963, in the Nation, almost twice as many as for the comparable white group.

"Since 1955," the same report points out, "the jobless rate among nonwhite teenagers has risen fast."

Many Government reports document the Negro's position in America, and many persons have pointed out how inseparable are the cries for civil rights and the cries for relief from poverty. Any large Government program to attack poverty must deal with the Negro problem.

#### LONG YEARS OF DENIAL

"The Negro," according to Chester N. Gibbs, executive secretary of the Urban League here, "has never been able to prove himself because of long years of deprivation



and denial. He has never been able to demonstrate his worth as an individual."

If a disproportionate number of Negroes are dropouts, Gibbs stated, and if a disproportionate number are limited to unskilled work or to unemployment, the city is rearing a growing pool of alienated, angry persons in the Negro community.

This is not just unhealthy economically, he said. "Given the racial climate in the Nation, it is dangerous."

(Next: The dropout.)

[From the Springfield (Mass.) Union, June 12, 1964]

#### WAR AGAINST POVERTY: IV—DROPOUTS FIND JOBS FOR UNSKILLED SCARCE

In one sense, the city has no dropout problem.

Students always have dropped out of school, a school department official points out, and two generations ago nearly all but the college-bound dropped out without a high school diploma.

#### GROWING PROBLEM

The dropout problem today is really the shrinking market for unskilled workers. According to the State division of employment security, it is a growing problem.

In the 1962-63 school year, there were 389 dropouts from the city's high schools, about 7 percent of the 5,722 enrolled. The 7-percent figure has remained stable for the past 3 years.

That figure is considerably below the national rate of 12.3 percent.

"What causes dropouts? Many things, but principally the restlessness of adolescence," according to U. Cleal Cowing, supervisor of the school department's bureau of pupil services, the school official quoted above.

#### MANY RETURN LATER

"The dropout often fails to realize the consequences his decision might have," Cowing said, "and many, although the school department does not know how many, come back to finish later."

"To high school kids, \$50 a week looks pretty big. Later they find that's about all they'll ever get and they come back," Cowing said: "I asked one boy who returned what we could have done to keep him. He said, 'Mr. Cowing, nobody could tell me anything when I was 17.'"

Statistic probably do not have much impact on high schoolers. The community renewal program has compared the number of school years completed among persons in the city with the incidence of unemployment and found a very high correlation.

According to a CRP official, it means that the less schooling a person in the city has, the more likely he is to be out of work.

But high school dropouts do learn a hard lesson when they bump into the job market for the unskilled.

"There are never enough jobs," a DES worker who deals with dropouts said about the problem.

#### SHORTAGE OF JOBS FOR THEM

"Dropouts are increasingly looking for work," she said, "and there is a shortage of jobs they can do. There are legal limits to workers under 18—they are not allowed around hazardous machinery, for instance—and after they reach age 18, they usually lack the skill to get a good job," she said.

"A dropout also is at a disadvantage," she noted, "because employers look suspiciously on anyone who did not finish school. In a job, the unskilled worker may find himself out of the competition when openings arise for promotion."

According to the DES Bureau of Statistics and Research in Boston, there were 22 applications for jobs on file for every job vacancy in the Springfield metropolitan district at the end of March, a measure of the high unemployment rate here.

But, according to the DES, there were 48 applications for every unskilled job on file and 24 for every semiskilled job.

Moreover, with a growing population, the maturing of the wartime baby boom, dropouts and recent graduates, the labor force is expanding in this area, the DES reported.

#### DRAFT REJECTIONS

Dropouts apparently swell the ranks of those who are rejected for the draft in pre-induction testing in the area. According to Lt. Col. Robert F. Tansey, commander of the U.S. Army recruiting station for western Massachusetts, about half those tested for induction fail either the mental or the physical test.

"Of 1,706 boys sponsored in the first quarter of the year," he said, "871 failed, 504 for not passing physical standards, 312 for failing the Armed Forces Qualification Test, and the rest for having police records."

"The average high school graduate," Colonel Tansey said, "passes the qualification test."

Although the dropout does trouble the educator—"We do have a guilty conscience about it," Cowing noted—the main problem for society in the dropout is that he will be forced out of a chance to work by the increasing need for skilled workers. Some writers have even expressed the fear that if the pool of unskilled, unschooled, and unemployed citizens keeps growing, a permanent lower class may form in America.

A main force, automation, whose strength still is ungaged, seems to be pushing in that direction even in Springfield.

(Next: Automation.)

#### WAR AGAINST POVERTY: V—AUTOMATION TAKING TOLL IN SPRINGFIELD AREA

Many persons agree that automation is having an effect in this area but nobody can say how great it is.

One difficulty in knowing what progress automation has made here is that there is no generally accepted definition of what it is.

#### MANY MEANINGS

"The term \* \* \* has been given widely varied meanings by different authors," the 1964 Manpower Report of the President points out. The report settles on a general definition: the use of mechanisms in place of human labor to monitor as well as perform work.

The same report points out that "both theoretical and practical difficulties have so far prevented" direct measurement of the progress of automation. According to Robert W. Hutton, secretary of the Employers' Association of Western Massachusetts, there is no measure of automation locally either.

"But it's hitting those who can least afford to be out of work," Hutton said. "There is definitely a narrowing of job opportunity in unskilled categories."

Automation can have two main effects: by using machines to take the place of workers or to obviate the need of hiring more, it can put men out of work or remove jobs from the market.

#### HIGHER SKILLS NEEDED

By introducing increasingly sophisticated machines, it can demand higher skills from workers.

There is evidence of both effects in Springfield.

There are other reasons besides automation for laying off workers but an analysis of unemployment figures can show where the job market has shrunk.

In the Springfield metropolitan area, according to the Greater Springfield Joint Civic Agencies, there are about 14,700 out of work, 7.2 percent of the labor force. The rate was 5.8 percent 3 years ago when 11,550 were jobless.

When the statistics are broken down, the only significant drop is in manufacturing

jobs. The area dropped 3,700 manufacturing jobs in that time while jobs among the trades actually rose slightly.

However, how much automated processes in manufacturing were responsible for the drop is still unmeasured.

#### ATTRITION, NO LAYOFFS

There is stronger evidence of how automation can shrink the job market. American Bosch Division of American Bosch Arma Corp. has installed a computer system, for instance, which has allowed the company to institute an attrition system without layoffs.

Payroll processing at Bosch, according to Walter Baker, press relations officer, used to take five or six persons a week to do. The computers do it now in 2½ hours.

The company's system of data processing is used to speed up office procedures involving clerical tasks. Its principal uses are in furnishing information to control production and in controlling inventory. With precise information, the company is able to produce more economically. The margin left previously for human error is eliminated.

"We get a lot more information from the system than we did before working by guess and by golly," Baker said.

#### ANOTHER TYPE OF SYSTEM

But there is a difference between what Bosch has done in getting precise production information, and the use of the computerized machines on the production line, or "numerical control." In numerical control, a system Bosch does not plan to install, the worker's task is to give the machine instructions. The computer, not the worker, then operates the machine on the production line.

Bosch is only one of the companies using computers now for clerical tasks. Data processing systems seem especially well suited to the business of insurance companies and Massachusetts Mutual Insurance Co. is expected to use them to a greater extent when its new wing, now under construction, is finished.

Hopefully, a decrease in present production jobs will be blotted out by an increase in service jobs or by the development of entirely new industrial lines. Nationally there has been an increase in service jobs. The worker displaced by automation last year may be repairing television sets now.

But the continuing high unemployment rate is an indication that the transition is slow. Meanwhile, the State division of employment security states, there are 48 workers available for each unskilled job listed in this area.

#### SPECIALISTS SHORTAGE

While the job market for unskilled or semiskilled workers shrinks, there is a growing need for some skilled workers. In the midst of high unemployment in Springfield, there is a shortage of many specialists. This is a nationwide phenomenon called structural unemployment which is a measure of how the use of sophisticated machinery can demand higher skills from workers.

The city, for instance, has been carrying on an attrition program for workers since Mayor Ryan took office. About 160 fewer workers were employed after he was in office 9 months in 1962 than in the previous September.

But the city during the mayor's first term had to raise some salaries to attract hard-to-get talent such as planners, data processing machine operators, and nurses.

#### BADLY WANTED HELP

The Springfield area has a high unemployment rate but a glance at the classified advertisements in the Springfield Union show that some skilled workers—vertical turret lathe operators or systems analyst programmers for instance—are badly wanted.



A man put out of work because his job has been made obsolete by a machine can turn to the federally financed program under the Manpower Development Training Act but he must have some native aptitude before he will be considered, according to the local DES.

Originally proposed for retraining those put out of work by technological change, it has become a way workers may get better jobs, according to one DES worker.

This training program does not appear adequate to meet the challenge of large unemployment. The courses last about 25 weeks and enrollments are selective. Since the program started last year, only 70 in this area have been trained. Another 39 are now in training.

#### PRIVATE INDUSTRY TRAINING

Estimates vary as to how well private industry is doing in conducting its own on-the-job training. One industrialist said that machines are cheaper than men in the long run because of the increasing upward pricing of wages by labor unions.

An industrial officer commented that, although businessmen recognize the problem of the shrinking job market for the unskilled, they "cannot as businessmen act as welfare organizations" by taking up the task of training and retraining.

Informal training, worker to worker, is common, a spokesman of the Bureau of Research and Statistics of the DES noted, but industry on the whole is "backward in retraining."

The same DES spokesman, noting that "automation is an unmeasurable thing," said, "We know there's a great deal of it going on."

#### CUT DOWN CLERICAL TASKS

There are about 40 users of computers in this area now, according to Dana Hoyt, systems engineer manager of International Business Machines. Nearly all of them are working to cut down labor in record keeping and other clerical tasks.

The chief inroad of the computer in this area, he said, is not in cutting down present employment but in cutting the need for future workers, the familiar attrition system.

There is not much direct computer control of manufacturing here, he said, but the area is headed that way and is making progress.

"It is definitely coming," he said, "and the city should take cognizance of the trend and prepare for it."

(Next: The children of the poor.)

[From the Springfield (Mass.) Union, June 18, 1964]

#### WAR AGAINST POVERTY: VI—PROGRAMS MUST HELP CHILDREN OF POOR

If the forthcoming war on poverty puts its accent on youth, it may be because the problem is so huge.

#### THIRTY-YEAR WAR

Those who speak about ending poverty in the Nation talk about a long war whose real aim will be to break the circle of poverty for a generation, today's children. One economist, Robert Lampman, of the University of Wisconsin, has estimated it will take 30 years.

The circle of poverty, locking one generation of a family in poverty with the next, has been documented as a national problem. Both local and national studies have indicated that the children of the poor lack not only resources but the motivations to seek a better life and that they are likely to be tomorrow's poor.

An article last year in the Social Security Bulletin of the U.S. Department of Health, Education, and Welfare stated, "There seems to be sufficient basis . . . for adopting as a working hypothesis that perhaps the single

medium most conducive to the growth of poverty and dependency is poverty itself."

#### TREND OF GENERATIONS

The Springfield Union, in a series of articles last year, studied families in the welfare department's aid to dependent children program. The articles indicated that the same trend of poverty, afflicting one generation after another, exists in Springfield.

How many children of the poor are there in Springfield? There are few statistics available. Many of the children, it is expected, would be found among a large subgroup of the poor: the fatherless families.

In this city, according to the community renewal program which works with data from the 1960 census, there were 2,229 fatherless families. About 30 percent of them had incomes of less than \$3,000 a year, the threshold figure commonly adopted as the poverty line. The figures, according to the U.S. Bureau of the Census, include welfare payments.

The 30-percent figure is about double the percentage of Springfield families generally which had incomes of less than \$3,000, an indication that fatherless families constitute one of the principal poverty problems in the city.

#### HOPE IN EDUCATION

Although local figures are lacking for the number of children among the poor, the U.S. Department of Health, Education, and Welfare has noted that nationally "one-third of the present poor are children. The greatest hope for eliminating poverty in the future is to improve the availability and quality of education for the poor children of today."

The same report states, "There is a growing need to provide facilities for the care of children of working mothers."

In a recent study on Negro problems, Dr. Hermon D. Bloch, an industrial and labor relations professor at the State University of New York, says that one reason for disintegration of a family without a male head is that the mother must work.

"Parental neglect combined with substandard incomes forces the youngsters to fend for themselves," he says, so that often the youngsters fall into delinquency and acquire a police record and their "social and economic chances are ruined."

Presumably a similar cycle works in this city and solutions to poverty proposed here will have to meet it.

(Next: The war on poverty.)

[From the Springfield (Mass.) Union, June 17, 1964]

#### WAR AGAINST POVERTY: VII—PRESIDENT'S STRATEGY IS BROAD, VARIED, LEAVES ROOM FOR LOCAL INITIATIVE

The war on poverty as proposed by the Johnson administration promises to be a war on many fronts.

#### ALLOWS FOR INITIATIVE

The \$962 million package includes broad proposals, like the heralded Job Corps, to attack poverty on a national level, and leaves room for local initiative in "community action programs," like the one being formed here now.

The administration program would set up a Federal center, the Office of Economic Opportunity, to supervise the poverty program, but promises widespread work through already existing Federal agencies.

It establishes a new Federal agency with all the propensity of such agencies for red-tape and at the same time promises to cut red-tape by setting up an information center where answers will be immediately available.

Here are some of the main national approaches proposed in the poverty program:

#### THE JOB CORPS

It will tackle the program of hundreds of thousands of male youths between 16 and 21 who are out of school and out of work by

setting up conservation camps and training centers. Enrollment in either, both voluntary, will be for 2 years and members will receive a modest living allowance.

Both the camps and the training centers would aim at giving basic education and training for employment but the conservation camps would aim at more personal attention for those youths who have formed through privation, a hard shell of distrust.

The basic education aims are—what the youths are to be brought up to—are so modest they seem to indicate a failure of society and the educational system; an ability to read at seventh grade level; an ability to complete application forms clearly and legibly and to write simple letters; an ability to understand addition, subtraction, multiplication, division, and fractions; and an ability to be understood in conventional situations and to understand directions.

#### THE WORK-TRAINING AND THE WORK-STUDY PROGRAMS

In these, young men and women would be able to work part time in approved jobs so as to increase their chances of employment and attend school. The work-study program is intended for college students.

#### FAMILY UNITY THROUGH JOBS

This program's purpose is to give vocational and literacy training to persons enrolled in the aid to families with dependent children welfare program.

#### VOLUNTEERS FOR AMERICA

A domestic program patterned after the Peace Corps, the volunteers program would enlist persons for a year, including a month's training. The volunteers would receive a \$50 allowance and necessities would be provided. They would be assigned through Federal, State, and local agencies to work on poverty program jobs and for allied jobs being conducted by various Federal agencies.

#### COMMUNITY ACTION PROGRAMS

The proposal is left with an open end. The communities themselves must come up with an appraisal of the scope of their problems and the plans to combat them, aiming always at the roots of poverty.

The Federal planning for this took into account many scattered activities in cities which could be fitted into the war on poverty. The community action program planning is to sharpen those which are good, cut out duplication and group them in a comprehensive, specifically aimed package for each city.

However, at the beginning of the poverty program, community projects are likely to be approved in a limited number of communities. One periodical put the probable number of communities at 75.

For this reason, Springfield city officials have tried to move quickly to draw up a program for submission to Washington. A draft program has been drawn up by a small committee and a meeting of a large group of department heads will be held soon to hammer out the city's proposal.

Included in the draft document are proposals to:

Put young persons to work in city and social agencies while they go to school. A canvass has rounded up offers of 200 positions.

Establish prekindergarten schools to allow mothers of fatherless families to work and to break attitudes of poverty early in children.

Establish health centers in poor neighborhoods.

Set up training courses for mothers on the rolls of the aid to families with dependent children welfare program.

It may be the community programs which would provide the most flexibility to the war on poverty with their ideas coming from many persons and being formed in many



pilot projects. Because of this, the community programs may be more difficult to administer than the national programs like the Job Corps which apply a single remedy to one age group.

Other blanket solutions have been proposed; for instance, doubling social security payments to remove about 5 million elderly from the rolls of poverty. Recently, a guaranteed annual wage for low-income families also was suggested.

The amount of discussion about the poverty program is an indication of the enthusiasm it has generated in many quarters by those who feel the Nation now can eliminate a problem as old as history. Where the enthusiasm finally will lead if the many-faceted war on poverty is released by Congress is impossible to foretell. Some have seen through it a widening of the role of government in society far beyond the limits now thought acceptable.

The enthusiasm has been put into words by many persons, among them Whitney M. Young, Jr., executive director of the National Urban League. At a hearing of the U.S. House Committee on Education and Labor on the poverty program, he spoke specifically about Negro youth, but his words might apply to the poor of all racial groups:

"This is what we in the Urban League and the other civil rights groups, churches and hopefully you, will be saying to Negro youth: that though you have faced barriers, discrimination, things that would have suggested that you are a nobody, that you are really somebody. And though there have been placed in front of you all of the handicaps, the obstacles, though you have been humiliated and though they would suggest that you are a second-class citizen, you are really a first-class human citizen.

"Stretch your minds and fly. This is what the poverty program is all about."

Mr. COHELAN. Mr. Chairman, this Economic Opportunity Act will not by itself stop poverty in our country. It will not even, in my judgment, do enough to reduce our painfully persistent problem of hard core unemployment. But with 35 million persons—a group which represents fully one-fifth of America's families—existing in the "Other America" of depravation, cutoff from the gates of opportunity, strong new efforts must be made and I rise in support of the bill.

Simple statistics deny a casual approach to this problem of poverty. For while more Americans than ever before are enjoying a higher and a rising standard of living, 11 million children, one-sixth of our youth, go to bed hungry at night. In 1.1 million families, women sit up at night trying to figure out how to feed their four children on \$5 a week. In 3.8 million homes, no breadwinner goes off to work in the morning. In 16 million households, children bring their homework home to a parent who has no more than an eighth grade education.

These Americans live on the outskirts of hope. For them it is a struggle merely to exist, and an unattainable dream to maintain a standard of living commensurate with human dignity.

And these people are not poor because they want to be poor, because they are stupid or because they are lazy. They are poor because, as author Michael Harrington points out in his excellent study on the problem of poverty:

They made the mistake of being born to the wrong parents, in the wrong section of the country, in the wrong industry, or in the wrong racial or ethnic group.

Most of these people, through no fault of their own, have had no hope of escape from their plight of poverty until now. Circumstances pulled them into the grinding circle, and circumstances have kept them there.

The tax cut, to be sure, has already begun to accelerate our rate of economic growth. By creating 2 to 3 million new jobs it has and will open exits from poverty at a faster pace.

But open exits mean little to those who cannot move—to the millions who are caught up in the clutches of poverty because of illiteracy, lack of skills, and racial discrimination. We must create new jobs but we must also equip the poor with the knowledge, the skills, and the health to fill them.

Mr. Chairman, the conquest of poverty is within our power. As the Council of Economic Advisers pointed out in their report this year, about \$11 billion a year would bring all poor families up to the \$3,000 income level we have taken to be the minimum for a decent life. This, the Council states, would not be an intolerable public burden since it would represent less than 2 percent of our gross national product.

But, as the Council has correctly emphasized, this is an unacceptable "solution" for it deals only with symptoms. The roots of poverty would remain untouched. The only solution acceptable to the American people—including the poor themselves—is one which enables each family to earn enough to raise its standard of living above the poverty level. It is one which enables everyone but the disabled to participate as full-fledged members of our modern economic society.

This bill accepts that challenge and places the initiative and responsibility where it properly belongs—upon local leadership to formulate long-range, comprehensive plans to eliminate poverty in each community. And I am pleased to report that in my community, the Seventh District of California, plans are already well underway to implement this legislation.

This bill offers a new hope, a new opportunity, a new life to those of our fellow citizens who up to now have not been able to share in the abundance of American society. It is a program which can open for the young, the opportunity to learn; for the able bodied, the opportunity to work; and for all, a better opportunity to live in decency and dignity.

This bill is a further attack on a major unmet need of our time and I urge its support and enactment.

Mr. LANDRUM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States, had come to no resolution thereon.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

H.R. 12253

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Saturday, August 8, to file a report on the bill H.R. 12253.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## COMMITTEE ON BANKING AND CURRENCY

Mr. RAINS. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

## COMMITTEE ON FOREIGN AFFAIRS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may meet tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HALLECK. Mr. Speaker, reserving the right to object—and I will say to the gentleman I shall not object because he and I discussed this matter earlier—in line with the suggestion made to the Speaker and the majority leader earlier today, if we are in a serious effort, and I hope we are, to adjourn sine die by August 22, we probably are getting to the point where legislative committees should wind up their business—they probably should have wound it up before now—except, of course, in a matter like this that is of great necessity and urgency.

Mr. Speaker, as I said, I shall not object to this request, but I want at this time to indicate my conviction that if the legislative committees have not on the whole completed their business by this time, probably we should not be having meetings of those committees during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## THE SITUATION IN SOUTHEAST ASIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 333)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs, and ordered to be printed:







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

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### CONTENTS

|                          |                         |                       |
|--------------------------|-------------------------|-----------------------|
| Administrative law.....3 | Expenditures.....8      | Poverty.....1,14      |
| Alaska.....4             | Farm labor.....15       | Public Law 480.....18 |
| Appalachia.....16        | Flood prevention.....6  | Reclamation.....7     |
| Appropriations.....5     | Foreign trade.....9     | Recreation.....11     |
| Area redevelopment.....2 | Livestock prices.....16 | Shipping rates.....17 |
| Education.....19         | Nomination.....12       | Watersheds.....6      |
| Electrification.....10   | Personnel.....8         | Wheat.....13          |

**HIGHLIGHTS:** House continued debate on poverty bill. House Rules Committee cleared Area Redevelopment Act amendments. Sen. Metcalf criticized "propaganda" of private electric-power companies. Senate committee reported Central Arizona reclamation project bill. Rep. Hutchinson criticized wheat certificate program. Reps. Derwinski and Lipscomb inserted articles critical of poverty bill. Rep. Nelsen inserted article critical of Secretary Freeman's encouragement of more livestock production in Appalachia. Rep. Poage introduced Public Law 480 bill.

### HOUSE

1. **POVERTY.** Continued debate on H. R. 11377, the poverty bill. General debate was concluded and the House began reading the text for amendment. pp. 17672-739, 17745-6, 17749
2. **AREA REDEVELOPMENT.** The Rules Committee cleared a resolution for consideration of S. 1163, to amend certain provisions of the Area Redevelopment Act. p. D651
3. **ADMINISTRATIVE LAW.** The Rules Committee cleared a resolution for consideration of S. 1664, to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United States. pp. D651
4. **ALASKA.** Received the conference report on S. 2881, the Alaska relief bill (H. Rept. 710). pp. 17747-8



5. LEGISLATIVE APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 10723 (H. Rept. 1711). pp. 17749-50
6. WATERSHEDS; FLOOD PREVENTION. The Agriculture Committee, in a letter to the Speaker, approved the works plans for the following watershed projects: Mill Creek, Ga.; Turtle River, Ga.; Marshyhope Creek, Del. and Md.; Wellington-Napoleon, Mo.; and 102 river tributaries, Mo. p. 17670

#### SENATE

7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1658, to authorize the Central Arizona reclamation project (S. Rept. 1330). p. 17853  
Sen. Allott inserted a statement by Gov. Johnson, Colo., which "sets out the situation in which the Upper Basin States find themselves" in view of the Central Arizona project bill. pp. 17811-2
8. EXPENDITURES; PERSONNEL. Sen. Byrd inserted the June report, "Personnel and Pay Summary," by the Joint Committee on Reduction of Nonessential Federal Expenditures. pp. 17756-60
9. FOREIGN TRADE. Sen. Dirksen was added as a co-sponsor of S. Con. Res. 91, expressing it as the sense of Congress that the U. S. "should, on agricultural commodities as well as other commodities, bargain and negotiate in good faith as it is pledged to do under the Reciprocal Trade Act." p. 17763
10. ELECTRIFICATION. Sen. Metcalf criticized "propaganda" by the private electric-power companies regarding their rates, etc. pp. 17777-9
11. RECREATION. Passed as reported S. 1365, to establish the Fire Island National Seashore, N. Y. pp. 17783-4
12. NOMINATION of Otto Eckstein to the Council of Economic Advisers was received. p. 17853

#### ITEMS IN APPENDIX

13. WHEAT. Extension of remarks of Rep. Hutchison claiming that "the disastrous effects of the administration's wheat certificate program are now painfully apparent in the marketplace" and inserting an editorial claiming an income loss to Michigan farmers as a result of the certificate program. p. A4150
14. POVERTY. Rep. Derwinski inserted an article, "Antipoverty Legislation, a Blueprint for Confusion," calling for more clearly defined lines of responsibility in the poverty bill. pp. A4155-6  
Rep. Lipscomb inserted an editorial urging "a more effective attack on poverty" redrafted "in a calmer, post-election atmosphere." pp. A4156-7
15. FARM LABOR. Rep. Talcott inserted an editorial indicating possible harm to the trucking industry from elimination of the bracero program, and calling for more mechanization to replace the braceros. pp. A4162-3
16. APPALACHIA; LIVESTOCK PRICES. Rep. Nelsen inserted an editorial claiming the Secretary was inconsistent in first blaming domestic overproduction for the



"(2) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than four thousand beds for the furnishing of nursing home care to eligible veterans in facilities over which the Administrator has direct and exclusive jurisdiction."

Page 3, line 8, strike out "Chief Medical Director" and insert: "Administrator".

Page 4, line 12, strike out "1964" and insert: "1965".

Page 6, line 7, strike out "1964" and insert: "1965".

Amend the title so as to read: "An Act to amend title 38, United States Code, to provide veterans with urgently needed nursing home care and nursing care facilities while reducing the cost to the United States of caring for such veterans, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. TEAGUE of Texas. Mr. Speaker, I am happy to move to concur in the Senate's amendments today to this bill on nursing care which can only be described as a landmark in the field of veterans' law.

The amendments of the Senate are consistent with the intent and hopes of the Committee on Veterans' Affairs and this House, and their major purpose makes clear that the Administrator, subject to the approval of the President, shall establish and operate not less than 4,000 nursing care beds. The bill, as it passed the House, had a 2,000 figure but, as the debate made clear at the time of the House action, this was in addition to the 2,000 previously authorized by the President in August of 1963.

Another amendment places the responsibility for transfers to private nursing homes in the hands of the Administrator rather than the Chief Medical Director, but obviously this is a technicality.

The third amendment provides that the increase in payments for nursing care patients to State homes shall be effective January 1, 1965, instead of 1964.

The other amendment involves a change in the title of the bill which does not affect the substance.

I want to take this opportunity, Mr. Speaker, to again pay tribute to the special subcommittee which held the hearings and deliberations which led to the reporting and enactment of H.R. 8009. This subcommittee was headed by the gentleman from Tennessee [Mr. EVERETT] and the other members who served so ably with him were the gentleman from Texas [Mr. ROBERTS], the gentleman from Ohio [Mr. SECREST], the gentleman from Wisconsin [Mr. SCHADEBERG], and the gentleman from Kansas [Mr. ELLSWORTH]. The members worked in closest harmony and the veterans of this country are indebted to them for the comprehensive measure which will soon be on the statute books of this country.

Our thanks, too, to the several veterans' organizations and their representatives who have done so much to accomplish this result today.

#### PAYMENT OF SPECIAL PENSION TO HOLDERS OF THE CONGRESSIONAL MEDAL OF HONOR

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2434) to amend section 560 of title 38, United States Code, to permit the payment of special pension to holders of the Congressional Medal of Honor awarded such medal for actions not involving conflict with an enemy, and for other purposes, with a Senate amendment thereto.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 4 and 5, strike out "by (1) striking out 'who has attained the age of fifty years,' and (2)".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I move to concur in the Senate amendment with an amendment which I offer.

The Clerk reads as follows:

Amendment offered by Mr. TEAGUE of Texas: In lieu of the matter proposed to be stricken by the Senate amendment insert the following:

"(1) by striking out 'fifty years' and inserting in lieu thereof 'forty years' and (2)".

The SPEAKER. The question is on the motion of the gentleman from Texas. The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. TEAGUE of Texas. Mr. Speaker, the amendment would make all veterans who hold the Congressional Medal of Honor and who are 40 or more years of age eligible for the special \$100 a month pension.

Prior to the enactment of Public Law 87-138 there had been a 65-year age requirement, and this law reduced it to age 50. The bill which became Public Law 87-138 in the form which it passed the House, H.R. 845, of the 87th Congress, had no age requirement. The Senate inserted the 50-year requirement and this was accepted in order to get the legislation on the books. When the House passed H.R. 2434 in this Congress, there was no age limitation.

Thus, it will be noted that the House has consistently believed that there should be no limitation of age on this pension for the highest of all honors offered by this Government. In an effort to pass this legislation, I am trying to meet the other body halfway and set the age limit at 40.

#### INDEMNIFICATION OF CONTRACTORS, MEDICAL RESEARCH AND DEVELOPMENT WITHIN THE VETERANS' ADMINISTRATION

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8611) to facilitate the performance of medical research and development within the Veterans' Administration by providing for the indemnification of contractors, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

On page 1, strike out all after line 8 over to and including line 8 on page 2 and insert:

"(b) (1) With the approval of the Administrator, any contract for research authorized by this section or for medical research or development authorized by section 4101 of this title, the performance of which involves a risk of an unusually hazardous nature, may provide that the United States will indemnify the contractor against either or both of the following, but only to the extent that they arise out of the direct performance of the contract and to the extent not covered by the financial protection required under subsection (b) (5) —

"(A) liability (including reasonable expenses of litigation or settlement) to third persons, except liability under State or Federal Workmen's Compensation Acts to employees of the contractor employed at the site of and in connection with the contract for which indemnification is granted, for death, bodily injury, or loss of or damage to property, from a risk that the contract defines as unusually hazardous.

"(B) loss of or damage to property of the contractor from a risk that the contract defines as unusually hazardous.

"(2) A contract that provides for indemnification in accordance with subsection (b) (1) must also provide for —

"(A) notice to the United States of any claim or suit against the contractor for death, bodily injury, or loss of or damage to property; and

"(B) control of or assistance in the defense by the United States, at its election, of any such suit or claim for which indemnification is provided hereunder.

"(3) No payment may be made under subsection (b) (1) unless the Administrator, or his designee, certifies that the amount is just and reasonable.

"(4) Upon approval by the Administrator, payments under subsection (b) (1) may be made from —

"(A) funds obligated for the performance of the contract concerned;

"(B) funds available for research or development, or both, and not otherwise obligated; or

"(C) funds appropriated for those payments.

"(5) Each contractor which is a party to an indemnification agreement under subsection (b) (1) shall have and maintain financial protection of such type and in such amounts as the Administrator shall require to cover liability to third persons and loss of or damage to the contractors' property. The amount of financial protection required shall be the maximum amount of insurance available from private sources, except that the Administrator may establish a lesser amount, taking into consideration the cost and terms of private insurance. Such financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of such measures.

"(6) In administering the provisions of this section, the Administrator may use the facilities and services of private insurance organizations, and he may contract to pay a reasonable compensation therefor. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5), upon a showing by the Administrator that advertising is not reasonably practicable, and advance payments may be made.

"(7) The authority to indemnify contractors under this section does not create any rights in third persons which would not otherwise exist by law.

"(8) As used in this section, the term 'contractor' includes subcontractors of any tier



under a contract in which an indemnification provision pursuant to subsection (b) (1) is contained."

On page 2, after line 12, insert:  
 "SEC. 2. The amendments made by section 6 of the Act of July 7, 1964 (Public Law 88-361, 78 Stat. 297), shall take effect as of January 1, 1964."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. TEAGUE of Texas. Mr. Speaker, this was requested by the Veterans' Administration. The first amendment added by the Senate is in line with the basic policy inherent in this bill and is acceptable to the Veterans' Administration. It was raised by several private insurance companies and it is my understanding that this meets with the approval of the commercial insurers.

The second amendment is, in effect, supplementary to the recently enacted Public Law 88-361, which provides educational assistance to the children of veterans permanently and totally disabled from a service-connected cause.

The net result of this amendment added by the Senate would be to make special restorative training effective January 1, 1964, and it would involve very few cases. The Public Law 88-361 was approved on July 7, 1964.

#### ECONOMIC OPPORTUNITY ACT OF 1964

Mr. LANDRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 11377, with Mr. RAINS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from New York [Mr. POWELL] had 1 hour and 55 minutes remaining, and the gentleman from New Jersey [Mr. FRELINGHUYSEN] had 2 hours and 4 minutes remaining.

The Chair recognizes the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, I ask whether the gentleman from New Jersey desires to yield time.

Mr. FRELINGHUYSEN. I shall be glad to yield time, Mr. Chairman. I yield 10 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, let me say at the outset that as long as I have been here in the Congress I do not know

as I have seen a piece of legislation that was more poorly constructed than this one. I do not know as I have seen a piece of legislation where more pressure has been brought to bear upon the membership than this one. I think it is unprecedented. Certainly from my viewpoint it is. I have heard from Congressmen on both sides of the aisle who told me that there will be various consequences in their favor if they can give a vote on this poverty bill. I have been told by some of the people on our side of the aisle of instances where there have been offers of unenthusiastic opposition to them from the Democratic Party and the Democratic candidate. Most seriously from my viewpoint, the final pressure that now seems to be underway is to convince those Members who say they cannot bring themselves to vote for this legislation to take a walk. Now, when anybody, least of all, I think, leaders in an administration, have the temerity to urge Members of Congress to take a walk on an issue as vital as this, then I think there is something wrong. This is the kind of an issue where I hope every Member is going to be here to vote on the amendments as they are offered, and I hope that every Member that is physically able is going to be here to be recorded. Certainly this kind of an issue should not be decided by the absentees, by those who take a walk at the request of the administration or anybody else.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. Yes. I will yield to the gentleman from California.

Mr. ROOSEVELT. The gentleman has made a very serious charge. Would the gentleman be specific as to what members of the administration have asked any Member of Congress to take a walk?

Mr. GOODELL. I do not want to get into any personalities. There are a great many Members who have said this to me, that this is the final desperate request that is urged by various administration spokesmen. I hope it is not true. It has not been done in my presence. The reason why I have brought it to the floor is to try to prevent this kind of thing from happening if it is going on. I certainly do not make any specific charges as to individual personalities. I do not think that would be proper at this point.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Iowa.

Mr. GROSS. I do not know what is meant by taking a walk on the part of Members, but yesterday afternoon I saw a number of Members taking a walk out here to the Rayburn Room, and my suggestion would be that if it is going to be used for Shriver headquarters to pressure people to vote for the poverty bill, the leadership here ought to take the sign down out there that says "Reserved for Members of Congress," or whatever it is, and let the public in and let everybody in if it is going to be used for a lobbying headquarters.

Mr. CAREY. Mr. Chairman, will the gentleman yield to me?

Mr. GOODELL. Yes. I will yield to the gentleman.

Mr. CAREY. If I may direct a comment on the matter of an extension of walk taking, it seems to me during the session yesterday a most prominent walk was taken by about 12 members of the minority in order to break the quorum and delay the bill. Besides that, the most notorious abstention I can recall was in the other body when the tie vote was had in that body to approve this bill and a very, very prominent Republican was absent on a tie vote. If we have that kind of walk taking, I hope he continues to walk.

Mr. GOODELL. I do not think we have to go any further with this discussion except that we will see by the record when we get to the vote-taking stage if this is actually transpiring. I hope it will not transpire.

I might say also, as an aside, in the meantime, since we have had apparently politics in this bill from the very beginning when it was sent up here, that there have been a good many people suggesting that perhaps the best thing that could happen for the Republican Party is to have this legislation pass, that it might mean the difference in 25 or 30 congressional races and, if it does not pass, then it does not become quite as great an issue, because the people might not realize everything that is in this piece of legislation. Now I, by nature, resist taking a position that might serve political purposes but which puts on the statute books bad legislation. But, if it is going to be political, perhaps that will be the major result of this in the end.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. THOMPSON of New Jersey. Mr. Chairman, I know the gentleman from New York would like the Record clear. By referring to the Record following any recorded vote I hope the gentleman does not mean in advance to imply that any absentees which there might be at the time of the vote would be absentees because someone has been induced, as he says, to take a walk. Some of our colleagues on both sides are either ill or have pressing personal problems and cannot be here, under any circumstance.

Mr. GOODELL. I certainly did not mean to imply that we were prejudging anything of that nature, obviously. I just hope that we are going to have the maximum participation in this matter from beginning to end.

Mr. THOMPSON of New Jersey. I did not think the gentleman did mean to imply that and I wanted to give him the opportunity to state it for the Record.

Mr. GOODELL. I appreciate the gentleman's intention and if there was any shred of such an implication let the Record be cleared up.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman.

Mr. FRELINGHUYSEN. I appreciate that the gentleman has not had much time to state his case with respect to the specific provisions of this bill. Yet this discussion indicates part of the nature of the problem that we are going to face when we vote. One of the things



that disturbs me very deeply is that we will not even know what we are voting on, from all signs, at the time we bring this bill to a vote.

The gentleman from Georgia, at my suggestion, has submitted in yesterday's RECORD a copy of the substitute which he is planning to offer for the committee bill. My concern is that we will be inevitably making amendments to that substitute, a substitute which I might say will not be formally before the House. We have only the committee bill, which has already been abandoned, to modify. The situation before us creates a parliamentary situation which strikes me as being very unusual.

The gentleman from New York has said that he thinks the committee bill was poorly constructed. That surely is true, yet now we have the added difficulty of amending a bill which is not before us. We shall have instead a very lengthy substitute as a reference to the CONGRESSIONAL RECORD of yesterday will indicate. Our problem, therefore, is going to be far more complicated. This situation again suggests that the committee has not done its homework. The best thing we can do with this bill is to send it back to the committee for a straightforward consideration of the changes proposed in the substitute, as well as other suggestions which have been made.

Mr. GOODELL. I think the gentleman makes a good point. I think from the viewpoint of all of us it is difficult when there are 47 technical changes in the committee bill that are presented immediately. Now we are hearing about other changes that are obviously conceived simply to satisfy a few Members whose votes may be wavering, on the other side of the aisle.

I want to say in that respect and out of the order that I had in mind in talking about this bill, that one of the things that causes me most concern is this so-called veto power of a Governor. This was put in on the other side of the Capitol, with reference to aid to private organizations. As I understand the situation as described by the gentleman from Georgia, the substitute that will be put before us by the leadership will apply this veto not only to grants to private organizations but also to public grants.

Now, I say frankly that this is not a States rights amendment that you are going to propose. It is a segregationist amendment.

Mr. Chairman, I believe in States rights. I believe the States should develop these programs, that they should have the option to meet their local problems with maximum flexibility.

The CHAIRMAN. The Committee will informally rise to receive a message. Thereupon, the Speaker resumed the chair.

The SPEAKER. The House will be in order.

The Chair will receive a message.

The DOORKEEPER. Mr. Speaker, a message from the President of the United States.

The PRESIDENT'S SECRETARY. Mr. Speaker—

The SPEAKER. Mr. Secretary.

The PRESIDENT'S SECRETARY. I have been directed by the President of the United States to deliver to the House of Representatives a message in writing.

The SPEAKER. The Committee will resume its sitting.

Mr. RAINS. The Committee will be in order. The Committee will resume its consideration of the bill.

The gentleman from New York is recognized for 10 additional minutes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GOODELL. Mr. Chairman, I say that advisedly because I believe that a single Governor's veto is perhaps the most negative form of States rights that could possibly be recognized in this legislation.

It means in effect that in any State where a program is designed to help a particular type of people the Governor can simply say, "No, if you are going to do it that way, I veto it; I do not want that kind of program in here."

Mr. Chairman, we have assurances, and I trust the gentleman from Georgia will agree with me, that this program will permit no discrimination on the basis of race.

We suggested the possibility in the hearings that perhaps this should be written into the bill, and I quote from the record, page 313 thereof, when I asked the Attorney General a question:

In other words, it is your opinion, as written, that there would be no discrimination in any respect of this program?

The Attorney General said:

That is correct.

I then asked further:

And any activity which received Federal money would have no discrimination involved?

The Attorney General replied:

I think that would depart from the very heart of the program, Congressman. It makes no sense to discriminate against a poor person because he is a Negro or an Indian.

I then asked:

If any community action group or any part of it is receiving Federal money, there could be no discrimination in that group or in that organization, or in that community action project or program?

The Attorney General replied:

That is correct, because I think it violates the very heart and soul of the bill.

Now, Mr. Chairman, I believe the gentleman from Georgia [Mr. LANDRUM] has stated—and I presume he will confirm here—that he agrees with the statement of the Attorney General in the hearings, and that there will be no discrimination and that we do not need a specific amendment to bar discrimination in this program; is that correct?

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. LANDRUM. The civil rights bill is an accomplished fact. The decision of the Supreme Court of the United States in the case of Brown against the

Board of Education is an accomplished fact.

There is no discrimination at the U.S. Naval Academy, the U.S. Military Academy at West Point or the U.S. Air Force Academy in Colorado.

There is no discrimination in the armed services of the United States.

While it is true that there are among us those who while we do not like to discriminate, do nevertheless choose on our own desires to segregate rather than to integrate in the connotation placed upon those two terms.

Nevertheless those of us including myself who believe like that and who have worked against civil rights legislation, have not prevailed.

We are men, we are public servants, and we must recognize what the law is. We cannot choose what laws we will obey and what laws we will disobey. We as responsible citizens, as public officials, must acknowledge facts that are facts, and insofar as I am concerned there is no need here at this time for further discussion of this matter. To do so is only to fill the RECORD with inflammatory material designed to build prejudice where tolerance would be more desirable and more constructive.

Mr. GOODELL. I appreciate the very fine remarks of the gentleman, and I trust he was not implying that it was my object to inflame anything here. My concern, however, is a deep one. Assuming that to be true, and the gentleman has stated this before to me, the assurance of the Attorney General in the RECORD and other assurances, plus the civil rights law being on the books, here convinced me we do not have to offer an amendment along that line.

However, I have been concerned with the manpower and vocational bills. Many of these programs are not available as they should be to all citizens. You are setting up a program now, you are accepting the Senate amendment and adding to it, which will give a Governor a veto over the operation of this program in a State. I hope that the gentleman from Georgia before the debate is over, and others who participate will discuss the significance of this change, what their intention is, and give us some guidelines to follow in the Senate substitute.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Is it not true also that this so-called Governor's veto would allow a Governor to prohibit a Federal program from coming into his State without specifying any grounds? He might well do so because he did not like the discrimination this Federal program would represent. Such a veto would provide authority to a Governor who did not want to see a nondiscriminatory program in his State, even though it might benefit other people in the State.

Mr. GOODELL. The gentleman has asked me a question, and I would like to have a gentleman on that side answer it:

Does the Governor have to give a reason if he vetoes a given program?



Mr. LANDRUM. There is no provision in this part of the amendment which would require the Governor to give a reason. All that the amendment states, and I am sure the very delightful and able gentleman from New York has read it and knows it very well, is that there is no provision in the amendment requiring a Governor to give a reason. All the provision requires is that the Governor must within 30 days, if he does not want it in there, veto it.

Mr. GOODELL. I thank the gentleman for his expressions "able" and "delightful," and I would want to express to him my special gratification for the word "delightful" in describing me under these circumstances.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Can the gentleman from Georgia advise us as to what his opinion is that a Governor might give for a veto? That is, can you give your opinion?

Mr. LANDRUM. I would think any person who dared to offer a reason for the Governor would be most presumptuous. The Governor is the chief executive of the State. Not having to specify in the bill the reasons, the specific reasons he must give, he can do what he pleases.

Mr. GOODELL. That is my view, and I agree with that; but that illustrates the major point that I raise. To me States rights is a positive, constructive thing, not a negative thing. States rights, as it is going to be written in the legislation will permit the States to build a program but it does not require Federal authorities to implement programs through the States and have them develop their own programs. I think that it is provided in virtually all of our Federal grants-in-aid programs that the States develop plans and the localities develop their own programs. I am sorry that kind of a proceeding is not followed here, because when that is followed you do not have to get into the question of veto.

The State is developing its own program and running its own program. The locality is running its own program. Then you have constructive States rights. I am afraid this is a very negative approach to the States rights principle.

I should like to emphasize here that I think there are many positive things that could be done to increase the tempo of our war on poverty in this country. We on our side of the aisle developed some suggestions. The gentleman from New Jersey [Mr. FRELINGHUYSEN] introduced a bill that did utilize a normal Federal-State agreement type of procedure. We hoped this could be the design for progress. It did not turn out to be, and I will not go into the reasons why it did not. We have suggested more recently a seven-point basic outline of a program that could help meet the problems of poverty. But let us get down to some really significant debate on this issue. It is not a question of whether you are for or against a war on poverty.

Mr. Celebrezze indicated there were 42 existing Federal programs which were directed at poverty today. He indicated that if you wanted to tabulate the Federal programs that affect poverty you could go as high as 150 or 170 Federal programs. When you take the rundown of costs of these programs, the Federal Government spends about \$32 billion a year on fighting poverty. I think they could be better focused. I think in many cases they could be beefed up. I think that in many cases if some of them could be taken off the books we would be better off and the impoverished would be better off. But we have come now to the stage where those of us who want a constructive and positive position on this, not from a party viewpoint but from a public official's viewpoint, a Congressman's viewpoint, have no place to go. We can only, each of us, examine our consciences in this respect.

Let me talk about this bill and tell you why I have to say no to this bill and why there is no way I can conceive of, under these pressures and these circumstances, to redeem this piece of legislation.

Let me start by giving you a little illustration of how poorly this bill is drafted, how wide open it is. This is not Federal aid to education, this is direct Federal education, in the Job Corps. There is no requirement for involvement of the local education people or the State. The Federal Government does not just go in and aid and possibly control the local administration here. The Federal Government will go in and do the educating itself. I think the implications of this are rather serious.

I personally was one of the first ones to propose the residential school type of job training facility. I think there is a great potential to this if we do it through the localities' initiative and through local control and State and local participation.

The answer was given every time we raised this question on the other side that, "Of course, we will do it that way. We will work through the local people, get the local education officials involved." Admittedly, you can do that under this bill as written, because as written the director can do almost anything he wants to under this legislation. There are very few restraints, very few guidelines. If the director thinks what he is doing is going to do some good in fighting poverty, he can do it.

An example of how broadly this is drawn is that this bill permits a direct grant to a church, not just to a church school and not just to a private school. I am not talking about that. It permits that also. But it permits a direct grant to a church, under the language of this bill, under title II, providing the church is going to use the money to fight poverty in some way. It does not even have to use the money exclusively to fight poverty. The church does not even have to guarantee that the facilities the church builds will not be used for sectarian instruction or religious worship.

Now some people on the other side of the aisle may think this is raised, to use the words of the gentleman from Georgia,

as an inflammatory issue. It is not raised because of that. I have tried to talk about this in a bipartisan way. I have tried to settle the issue with my colleagues, eminent constitutional lawyers on the other side of the aisle, in a precise way so that there could be no controversy associated with it.

I have before me a letter which I think all of you have received within the last few days dated August 4, 1964, from the American Civil Liberties Union. It says bluntly that this antipoverty bill creates "a serious constitutional problem threatening to weaken our Nation's historic commitment to the independence of church and state." The Civil Liberties Union recommends a specific amendment to the bill as follows:

Nor may any grant be made from this part to any school or school system which is part of or affiliated with any church or religious institution.

Now I do not agree with that amendment as written. I think it is too broad a brush. We could have had a very specific approach, but we do not. So what is going to happen now—none of the changes in the Senate bill or any other announced amendment will meet this problem. We are going to pass legislation that permits direct grants for religious purposes in violation of the Constitution. This, I think, is a very serious matter that should not be brushed under the rug. When I raised this question in the special order that we took, no one chose to answer or tried to discuss the issue.

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I am delighted to yield to the gentleman from New York who is one of the eminent constitutional lawyers to whom I referred.

Mr. CAREY. You have just made the statement that it is possible under this bill to make a direct grant for religious purposes. Would you specify what language you find in this bill that would allow a direct grant for religious purposes?

Mr. GOODELL. I would be delighted to show you the language. The question turns in the opposite direction because you have an urban and rural community action program under title II, and I read from section 205:

The Director is authorized to make grants to, \* \* \* public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program.

A church is a private nonprofit agency. There are no prohibitions made. The gentleman knows that originally to avoid Federal money going for religious purposes, a section was put into the bill barring any aid to go to any school except through public school officials. Then an additional sentence provided that private school pupils could participate and get the benefits of this, but the money had to be administered by the public authorities.

Now that language has been eliminated and we have eliminated general aid to education.

Mr. CAREY. That is correct.



Mr. GOODELL. We have, however, left special remedial and noncurricular educational assistance as eligible here, and other types of aid, provided only that the Director determines the program involves a fight on poverty. He could, for instance, give a grant to a church to utilize a Sunday school facility part-time for a remedial course.

Does the gentleman disagree with that. There is no prohibition of such a grant under this language.

Mr. CAREY. I do not know why the gentleman selects the words, or picks out, Sunday schools.

Mr. GOODELL. Well take any building adjacent to or part of a facility of a church.

Mr. CAREY. Is it not true in the section to which you refer when you used the term "religious purposes" we specifically state the categories of assistance that are possible under this bill—health, welfare, and education of a special remedial type? These are specific categories of assistance and none of them could be construed by any stretch of the imagination as religious purposes.

Is it not also true that this is to be for the benefit of the low income individual? Therefore, it cannot be for the benefit of a church; it can be only for the benefit of an individual.

Mr. GOODELL. Does the gentleman concede my point that a direct grant could be made to a church to build a facility which could be used as a Sunday school facility and also to teach special remedial courses of some kind?

Mr. CAREY. I do not see such in this bill.

Mr. GOODELL. Where is there a prohibition?

Mr. CAREY. We categorically state it must be for "special remedial" educational assistance for the benefit of low income individuals and families.

Mr. GOODELL. As I say, they could build the facility and use it for this, among other purposes. They could use it for the church part of the time and for teaching special remedial courses the remainder of the time.

Mr. CAREY. That is an impossible application of the language.

Mr. GOODELL. It is not impossible, I tell the gentleman.

Mr. CAREY. The Director would designate the facilities in which the program would take place, as part of a community action program.

Mr. GOODELL. The gentleman said the bill specifies the types of program eligible. I did not want to get off on that tangent.

I think we can say that a direct grant could go to a church for the specific types of programs named. Those specific programs are not exclusive. We name those programs in the bill merely as illustrations. The words are: "including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial" training and so on.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. We also should refer to the language in section 202(a)(4) which defines a community action program as one "which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof."

This would clearly allow a church organization, a religious association, to qualify for assistance so long as the activity which it was conducting was for some aspect of, and of some benefit in alleviating, poverty.

Mr. GOODELL. There is no question about that.

Mr. FRELINGHUYSEN. I stress this point. The gentleman from New York [Mr. GOODELL] is accurate in saying that the grant could be made to a church organization so long as the activity conducted by the church was for the purpose of alleviating poverty, along the lines the gentleman from New York [Mr. CAREY] has suggested.

The two positions are not contradictory. The gentleman from New York [Mr. CAREY] surely is not arguing that a church would not be qualified if it were making a contribution toward the alleviation of poverty.

Mr. GOODELL. I say to the gentleman that if we are to have a program to fight poverty which does not utilize the private facilities available in this country, then something is wrong.

The point I am making is that the language which has been drawn here is so sloppy and so broad, trying to brush this issue, apparently, under the rug, that there could be direct grants for religious purposes or for sectarian instruction. It would be possible to have them, and they probably would have in marginal type cases.

I do not mean to say that I would anticipate that Mr. Shriver, if he directed the program, would go out to make a grant to a church for religious worship. But he would make grants to religious groups for purposes that would be, in this area, very questionable constitutionally. We give him no guidelines at all as to proper restraints on government involvement in religious activities.

This language has been written so that they could make grants which were completely unconstitutional.

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I will yield to the gentleman, but let me make an illustration first.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FRELINGHUYSEN. Mr. Chairman, in view of the importance of this discussion, I yield 5 additional minutes to the gentleman from New York.

Mr. GOODELL. Let me give an illustration of a specific case where this point was raised.

During the hearings I believe the gentleman from California [Mr. BELL] asked a question of a witness, as to whether a direct grant could be made to support a birth control operation or clinic. I believe at that time the gentleman from Georgia [Mr. LANDRUM] said most vehemently that this was ridiculous

and it could not be done. When we went back to the offices, I was handed a "Meet the Press" transcript, in which Mr. Shriver said directly that it could be done. Subsequently we questioned other witnesses and it was resolved, I believe on the record finally and unequivocally, that it could be done.

This kind of confusion illustrates the point I make here. Birth control information may well be an important approach to relieving the problems of some of the poor. Why deny that such grants can be made. It would be possible for grants not only for this type of purpose but also for other purposes and in ways which might violate very important precepts of some of our religious organizations.

I personally believe that language could be devised to avoid this. We could permit private organizations to participate properly in programs of Federal sponsorship, but let's not walk into the china shop of constitutionality like a bull rampaging around.

We will have something here which will come back and haunt us unless we do something about it now.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to my colleague from California.

Mr. BELL. Not only did Mr. Shriver make this statement in "Meet the Press" program, but also again Mr. Shriver repeated the statement to me in answer to a question during the hearings, when he again said that birth control could be involved in this program.

Mr. GOODELL. My friends, the point I am trying to make here is this—

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. Yes. I yield to the gentleman.

Mr. CAREY. I think it should be very carefully and precisely stated here that the light in which this took place was on the basis of a statement of an individual who gave the statement as his personal views in this matter and who was complaining that this bill did not deal with population control. His claim was that the bill did not go to what he considered to be the heart of the poverty problem. In this connection, I will say that the potential director was asked if as part of a community program the community's own local program involved this delicate matter, could he assist the program. He was not asked about birth control.

Mr. GOODELL. The gentleman is stating himself that the Federal grant could go directly to an organization to promote birth control. They could do it.

Mr. CAREY. I deny that.

Mr. GOODELL. The language is here.

Mr. CAREY. The sponsor of the bill made it very clear in the hearings he does not consider it so.

Mr. GOODELL. We are really in a very confused situation, because if the sponsor made that clear, he directly contradicted statements in the record not only by Sargent Shriver but a great many others.

Mr. CAREY. Only by the construction you care to place on the colloquy, and I say you, whether intentionally or



by inadvertence, seek to place broadening language in the record on this bill for the creation of legislative history which will do the very thing the gentleman fears.

Mr. GOODELL. Let me say something here, Mr. Chairman. Regular order, Mr. Chairman.

I am sorry that the accusation has to be constantly placed here that we are trying or I am trying to introduce something for some sort of obscure purposes or indirect purposes. I come here as a Congressman, as a Member of the U.S. Congress. This bill apparently is going to be whiplashed through the House of Representatives in a way that is so infused with some kind of partisanship or some kind of political considerations that we cannot discuss these very serious issues on a constructive and solid basis. There is no dispute that we should have programs to fight poverty, but when we have a program sent down here with a label, "War on Poverty," and every Congressman is supposed to fall into line and say, "I am for that program no matter what is in it because it is to fight poverty," and say that we cannot discuss the details of these things but must bring them out and cannot put in the corrective amendments that are so desperately needed, then there is something wrong. I say to the gentleman I am not trying to raise controversy for the sake of controversy. You are arguing with the constitutional judgment of many, many esteemed constitutional authorities. They feel there is a very serious question here.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LANDRUM. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. ROOSEVELT].

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Chairman, let me open my remarks by saying that I hope it is distinctly understood—and certainly it is by all of us on this side of the aisle—that we want no one to take a walk and we want to convince everybody that this is a bill that they should support. We intend to do it in a most constructive manner. I want to say also that I think the manner, the tenor of the debate so far well indicates the kind of opposition which we have faced right along in trying to enact this bill. We have been accused of being politically minded in offering this legislation. Of course, it is a political legislation in the sense that the Democratic Party has always been the party which has proposed these kinds of measures to help people that need help the most from their Government. My friends, I am proud of this.

So if this is an unfair political consideration I can only say that we have to fight it on that basis because the opposition has spent a good time this morning first in saying that we are trying to put pressures on people. They are complaining about trivialities by the tens and by the hundreds. Then they go on to raise hobgoblins, hobgoblins which they know are certainly not going to happen in the administration of this bill.

Mr. Chairman, let us remember this. Let us assume that we had an administrator—and I would resent it and I do resent the implication that the administrator who has already been named to administer this bill is the kind of man who would do the kind of things which our opposition has accused him of doing; but even if he should do such a thing, let me remind you that this bill comes back to this body in less than 1 year's time. And certainly I am sure the gentleman will agree that if any such thing has gotten into the picture, the next Congress would take care of it in very quick order before it could spread or do any damage of any kind.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. Briefly; I have only a short time myself.

Mr. GOODELL. Mr. Chairman, I was asked to yield a good many times and enjoyed yielding to Members on the other side; I appreciate the gentleman's consideration. Let me say that I do not believe these are hobgoblins. I would appreciate it if the gentleman would direct his remarks to the places in the bill which would prevent these things from happening, the things that I have discussed. My concern here is this. I do not impugn anybody's motives. I certainly tried very hard to avoid impugning the motives of Mr. Shriver or anyone else who might direct this program. I have great faith that he would do his job honestly and with integrity and as conscientiously as it is possible to administer this program. What I am saying is that it is our obligation to write a good piece of legislation that is constitutional and that is within the bounds of what we consider to be good public policy. I do not believe that at this stage at least this is a government of men; it is still a government of laws. We are here to write the law in the proper way, and I would like to get the discussion down to the merits of these points in detail, if we can.

Mr. ROOSEVELT. Mr. Chairman, I would be happy to go on with my discourse. I know the gentleman's feeling. He made it very clear. And let me say that he was well answered by the gentleman from New York [Mr. CAREY] and I think the record will speak for itself.

Some question has been raised by my friends of the other party as to the fact that they would like to know what are the differences between the bill and the Senate bill plus the amendments which will be introduced. I think I could list them so quickly that it would become obvious to every Member of this House that they are not substantial or detailed changes, that they can be easily understood and they are here in the RECORD. Every Member of Congress can know them and will have no difficulty in knowing what he is voting on.

But, just for the sake of the record, let me stress the major points. We have already discussed the so-called veto power of the Governors. Let me simply say that the record of the hearings is replete with the efforts of the gentlemen sitting on my left to try to get the

Governors to say that they wanted that veto power, that they thought it should be mandatory, but now they come in and complain about it. So I submit to you, Mr. Chairman, that this is obviously, therefore, a political objection. They got what they wanted and now that they have it, they think that it might get a few votes on this side of the aisle. That, primarily, is why they are against it.

Mr. Chairman, I want to go on with the details that the gentleman asked me about. The differences are these. The age of an adult is changed from 22 to 18.

I am sure everyone is going to be terribly bothered about that.

Then there was an insertion in the other body of a section which prohibits political discrimination and political activity.

I am sure everyone is going to be very worried about that.

Then the next important change deals—and this I would grant is an important change—with the changing of grants to loans. But, again, I believe the majority of my friends on this side have been for that also during most of the history of this kind of educational activity.

So, Mr. Chairman, I do not believe that they would object to that.

Then the next thing was to delete the family farm development corporation. Again, this was an item which was attacked vigorously by my friends in the hearings on the other side of the aisle. So, again, I hope they are not unhappy with that.

Then, next, we have a brandnew thing which did not come up on the House side at all. It refers to indemnity payments to dairy farmers. I believe this is the one really new item which deserves perhaps some consideration. I am not a dairy farmer. I am convinced that it has some relationship to poverty under a very unusual circumstance. I certainly am not going to oppose it and I do not believe most Members of the House will.

Then, lastly, there is a section put in here which is for the purpose of expediting information on the program and how it is run. It will also enable the Director where he does not need to construct and build buildings or sees no need to build buildings, to rent a building to enable groups of people who can be helped under the poverty program to rent the buildings.

That, my friends, represents the only essential changes, outside of the Governor's veto.

Yet we are told that we are taking a brandnew radical approach.

So, my friends, I think it becomes increasingly clear what is basically in this bill. Every Member of this House understands the situation full well.

What, then, are the philosophical differences?

First of all, of course, it should be recognized that our opponents recognize that it was a Democratic President who came up with a poverty program. He was following in the steps of almost every other Democratic President, beginning with my father, if you will excuse the personal reference, when he urged



the country to do something about that one-third of our population which was ill clad, ill fed, and ill housed; that in the modern day perhaps started Democratic administrations concentrating on this effort.

Mr. Chairman, I have to say for the record—and I think it is irrefutable—that the leaders have to do something about that one-fourth of our disenfranchised Nation today, and a Democratic administration has come forward to do that. I am proud of it. I hope every Democrat on this side of the aisle will be proud of it too.

Mr. Chairman, I want to emphasize that while we have had differences on this side of the aisle, it is not in this area; for my friends, I go back a long way to the New Deal times, and I remember that it was the late Speaker Rayburn who fought to bring about much of the so-called New Deal program. And, I remember it was a Representative from Mississippi by the name of Rankin who while I might have disagreed with him on some points of his beliefs, he was a leader in the establishment of the TVA, a milestone in the progress of our Nation.

So, Mr. Chairman, the record will show that we have a united party on these broad social issues, and I pray and hope that we will have the same today or tomorrow when the issue is finally decided.

Then, Mr. Chairman, we come to the old argument—it was stated by the ranking minority Member in his opening argument and it is always the same when we are trying to do something about a social program—that there is a centralization of authority. It is claimed that we are foisting the centralized authority, giving power to the Federal Government. But when we tried to discuss a little item to reduce some of that centralized authority, to give this veto power to the Governor, where do we find our friends on the other side of the aisle once again?

So, yes, it is a political question all the way through. But I refer you to title II, my friends, where we have written into this bill—and I am going to paraphrase my opposition for a moment and say I have been here as long as some of those who have spoken and I have to my knowledge not found a better written bill than this bill, a bill that does go more directly to the question, and that can be documented beyond any question, and which needs to be acted upon.

Let me say to you that again you will find in title II that we have left the responsibility to the communities of our Nation. It is they who must come forward with their programs. These are known as community action programs. They must follow, they must fulfill the desire of the Director, and of the Members of Congress, who have directed the Director to do so, to get from the community, both in the private sector and in the public sector, that kind of a program which is particularly applicable to the needs of that community. If there was ever a strong, decentralized bill, it is this bill, and in that title II beyond any question.

There are certain areas where we have given the Federal Government the need to take the lead. One of them is in the so-called CCC camp extension, which my friends referred to. I want to make it very clear if you took a vote in this Nation today one of the things you would get almost unanimous support for its continuation of the basic principles of the CCC camps. They were successful in our country, and there can be no question about that.

Here we have simply said that we recognize that is such a complicated question, as my friends on the other side have stated, it needs national leadership, and they try to tear us apart by saying there has been a failure in California or a failure in New Jersey. This, Mr. Chairman, is probably clear documentation that the only really effective way to do this is to run it on a national basis because it is pretty clear that only the National Government can give the leadership necessary to make it an effective program.

Again, there was written into this bill, and we on the House side are glad to accept it, that there is no State which is going to have even that kind of a program in its area unless the Governor of that State after 30 days in which to consider it does not veto the placing of that camp within that State.

I cannot see how it can be said we have not welded together for the first time perhaps in a long time in this kind of legislation the kind of cooperation between the Federal Government and the State government and the local communities so much desired. If there is probably any example of the exercise of our way of democracy, our system of government, as embodied in this bill, I do not know what it is.

I hope as you read this bill you will go through it and see it does the things which in your heart you know you would like to have done in your area and in your community. It is sometimes said there are other Federal programs going forward and that they are large in number and in considerable expense. But I can assure you again if you will look at the bill you will find we wrote in the bill that these programs must be coordinated with this bill; that there will be no overlapping of other programs and what is required in this bill. There is nothing that can be done under this bill which is already being done by another program. We have brought efficiency to government. And, Mr. Chairman, we are always accused of not paying enough attention to the efficiency in our Government. Here we have written it specifically in form which anyone can understand.

I say to you that weakness of the gentlemen's argument on the other side is clearly shown when they get up and say all these other programs are doing what is required here. I must say they were frank enough to indicate that some of those programs should be abandoned. Until they make up their minds what they are going to abandon I would think I would rather leave it to the Director of this program to coordinate these activities together, bring order out of chaos,

and do those kinds of things which would give us a rounded attack on the hard core problem of poverty in our Nation.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. GOODELL. I would like to get the debate off from the political aspects of this.

Mr. ROOSEVELT. I am sure you would.

Mr. GOODELL. The gentleman said a great deal about the Democratic Party and its position. I would just say that in the 8 years of the Eisenhower administration, using the criterion of a \$3,000 income here, the number of people in this country with \$3,000 or less income went from 28 percent to 21 percent, and in the past 3 years it has gone from 21 to 19 percent. There has been a leveling off. We have been virtually stalled on a poverty plateau for the last 3 years. So it is a question of what is the best way of fighting poverty. I will say to the gentleman that I do not believe that the Republican Party wants to fight poverty more than the Democratic Party, or vice versa, I think every American wants to fight poverty in the most effective way possible. But there is a little difference of philosophy as to the best way of advancing that end in this country. That is where the debate should lie, not about which party is supposedly oriented one way or another.

Mr. ROOSEVELT. I thank the gentleman for his comment. I think the history books and the record will have to decide whether he is correct or I am correct.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentleman for yielding. I should like to ask him two questions. The gentleman has just said, and I will paraphrase him, that nothing can be done under this bill which is already being done under other programs. I wonder how he can reconcile this assertion with the description of this bill by the gentleman from Georgia that this is an education and training bill. There are education and training programs of one sort or another involved in this bill and certainly there are already other programs dealing with these problems.

Mr. ROOSEVELT. The gentleman's question exactly answers what I am talking about. The gentleman says because we talk about vocational training in this bill and there is already an act for vocational training that means there is going to be duplication in vocational training. If that is not twisted logic I know of no better example. There are various areas of vocational training and those involved in it can go further with it. However, there are things which we can do under that act, and there are steps, and they are spelled out, that can be taken by the Director that can be done under this act but not under the other act.

Mr. FRELINGHUYSEN. The gentleman says there is no intention to duplicate, but surely the bill provides no pro-



hibition. He has just said that the new Director will have sense enough not to trespass on the established programs, but there is no assurance that this will be the case.

Mr. ROOSEVELT. I have only 1 minute left, and I want to finish my last statement.

May I say to my friends on the other side of the aisle that I hope some of you will find in this bill when we finally write it, when it is ready for passage, the kind of thing that may not have everything in it that you would like, but in the best interests of the people concerned that need it most you will not put partisan politics above the need of those people.

I will say to my friends on this side that we have tried not to make this thing a Federal program but to make it a community, a State, and Federal program, and that you therefore may join with the rest of us in the Democratic Party in fulfilling once again the great heritage of our party, to pass, to legislate, to enact, and then to administer for the great needs of large numbers of Americans. We again face a crisis in our Nation. As we face it today, I pray our people will feel that their Government so deeply deserves their support that whatever sacrifice is required to love their country and defend it, they are willing to do it, because their Government has served them well.

Mr. Chairman, we in Congress must never accept the thesis that poverty is here to stay, that it is a problem which we can ameliorate but not eliminate. I support this antipoverty legislation, not because it will solve all problems, but because it will firmly establish a recognition that the problems exist, and that our society, through its Federal, State, and local governments, is determined to embark on a comprehensive, coordinated, continuous campaign to eradicate the problems from American life.

Nowhere in the Federal Government can a community now find broad support for a concentrated program to attack poverty. As a result, the combined expenditures of Federal, State, and local governments and private foundations are too often dispersed into many single-purpose projects, each of which may be worthwhile in its own bounds but which fail to achieve the effectiveness a coordinated approach can bring. The community action approach permits an effective and practical use of all Federal, State and local sources in combating poverty in a community.

Title II of this bill would provide local planning and operating support for the development of new approaches to the problems of poverty. The comprehensive, multifaceted program which I feel can best attack poverty in any given community has already been put into effect in certain areas. California has several projects already in operation which would qualify for assistance under title II. These demonstrate that the concepts in this bill are valid and can be of tremendous use in helping poor families break the poverty cycle which tie them to lives without hope. One is the Avalon Community Center in Los Angeles, serving some 65,000 people in a ghetto where

half of the families live in poverty. For 2 years now the center has offered classes in reading and grooming, helping with school work and personal problems, a range of services calculated to show its clients how to achieve dignity and independence. That project is founded on the principle very few of the poor prefer the dole to an honest job a statement of probable fact that was borne out in a recent Department of Labor survey which showed 87 percent of the sample had actively sought a job within the past 2 years. Forty percent of the Avalon Center is financed by California State funds but under that State's law the financing must be withdrawn once the experimental stage ends. Surely this is the type of program where Federal assistance must be available.

In San Francisco, four centers serve as examples of community efforts which should qualify for help under this program. Among them they serve 160,000 people. Approximately 10 percent of the people who use these centers earn less than \$3,000 per year and few earn much more. The centers serve as language schools, health clinics, and halfway houses for teenagers unfortunately away from home and too young to earn a living. They are also valuable training grounds for workers in the fight against poverty in other areas.

In hearings on this bill the mayor of Chicago, the Honorable Richard A. Daley, told us of a cooperative program being conducted in his city almost entirely by three private agencies: the YMCA, the Boys Club, and the Chicago Youth Center, cooperating with such public and private agencies as the Illinois State Employment Service, the Cook County Department of Public Aid, Chicago Commission on Youth Welfare, and the Welfare Council of Metropolitan Chicago. The pilot project is designed to help 1,000 youth, many of whom lack the equivalent of a sixth-grade education, to reach the necessary education level of employment and to acquaint them with job skill experience so that they may finally be placed in employment. This is an example of the way public and private agencies can get together and cooperate toward the development of a program which makes a meaningful effort to break the poverty cycle.

Most of the trainees in this program are between the ages of 17 and 21 and most have dropped out of high school in their second year, and most were classified as "functional illiterates" when they entered the program. They were unable to read or do arithmetic past the fifth-grade level and some had never worked although all were unemployed. None had a consistent employment record. During the first 24 weeks of the program attendance averaged 80 percent although there was no screening and everyone was taken on a first-come, first-serve basis. This program conducts two principal activities. A little more than half of the trainees are enrolled in basic education units learning reading, writing, arithmetic, and employment disciplines. The remaining enrollees are in vocational workshops,

training as automobile service station attendants, duplicating machine operator training, mail handling, and clerk-typist training. They will be placed in jobs this summer, said Mayor Daley.

The Federal assistance contemplated in title II of this act would also be available to programs such as that conducted by the Chicago Board of Education which is aimed toward the assistance of disadvantaged youth. Its urban youth program develops educational and job training programs for school dropouts between the ages of 16 and 21.

The mayor of another great city in this country, St. Louis, told this committee of the human development corporation which has developed a coordinated attack on the basic causes of poverty and youth crime in a target area of 110,000 people in the heart of St. Louis. In this area, family incomes are below the level requisite for decent living, unemployment, disease, broken homes, unsafe and unsanitary housing, school dropouts, and high death rates run together. Forty-five percent of the people in the target area are under 20 years of age; 55 percent of the residents are of a minority group. Mayor Raymond R. Tucker recognizes however that there is a need for more than coordination. His human development corporation seeks to bring services directly to the people through neighborhood stations located throughout the target area. These neighborhood stations will provide initial contact points for programs in the fields of employment education, group therapy, family counseling, legal assistance, youth groups, housing improvements, and health services.

I am impressed by these gateway stations or halfway houses, as we call them in California, which are being located in the neighborhoods and which will deal directly with the families in the neighborhoods. It is absolutely essential that the community action programs obtain the active participation of the residents of the area, which participation must be in terms of both developing and carrying on the various programs.

I anticipate that the Office of Economic Opportunity will encourage the development of community action programs which would carry out a multifaceted, coordinated attack on the interrelated causes of poverty, with participation by the widest possible range of community organizations. However, the development of such a comprehensive communitywide plan cannot be a prerequisite to the extension of financial assistance to a public or private agency for the development or execution of a program which gives promise of progress toward elimination of a cause or causes of poverty. I cannot stress too urgently that there must be room for experimentation for the development of new and imaginative approaches to problems involved. Pioneering is called for in the war on poverty. Such pioneering has been the traditional role in our society of the smaller agency often times private, with its flexibility and freedom to test out new ideas. I stress the need for funds which would be made directly



available to groups free to work on the new ideas that are being developed.

This is not to underestimate the role of the comprehensive plan and the large coordinating group, but the administrators of the programs will need the resources in introduce the innovations more likely to come at points through the small voluntary group efforts. Thus it is absolutely important that the bill's provisions for direct grants to private agencies be maintained. In this regard I would make the point that the skills and talents of many groups are going to be needed. I urge that support be given to a wide variety of groups, drawing the line only where the primary purpose of the work is the propagation of creed.

Though we have some examples of the broad comprehensive community action program which this bill hopes will be established in all communities, the fact is that only a few of the large communities have been able to put such programs on the drawing board or into effect. The vast, vast majority of communities in this country have neither the resources nor the funds to even initiate at the development stages such a broad based and comprehensive approach to the problems of poverty in their communities. Therefore, it is absolutely essential that Federal assistance under title II be available to individual agencies or to certain private organizations which can develop a program which does give promise of progress toward elimination of poverty or a cause of poverty. I am thinking of an organization which would provide day-care programs for young children where the only parent or both parents have to be away from the home earning a living. Such programs can assist both the child and the family toward improving the home environment, preparing deprived children for more productive school experience, and widening the horizons for the family. I am thinking also of assistance to a school board for a remedial reading or arithmetic program. I am thinking of a program through a local health agency or organization which would extend health services or health education to poor families in the community.

We must remember that it may take many months, perhaps even years in some instances to develop comprehensive programs in certain communities. The "maximum feasible participation of public agencies and private nonprofit organizations," must be read in this light. It must be the maximum feasible participation for that community.

The allotment to States set out in section 203 assures that all States will participate in the assistance provided. If you read that section of the bill you will note that the allotments are based on crucial indicia of poverty: the number of public assistance recipients, the number of persons unemployed and the number of children under 18 in families with incomes of less than \$1,000.

Section 204 which provides financial assistance for development of community action programs recognizes that many communities simply do not have the financial ability to develop a community action program, and wisely ac-

cepts the proposition that all communities should be encouraged and aided in meeting the problems of the hard-core poverty in their midst. This will also allow those communities to develop a comprehensive program out of existing single-purpose programs.

Section 205 provides financial assistance for conduct and administration of community action programs. Again, the necessary emphasis is on the comprehensive program but provision is made for assistance to components which are designed to achieve the purposes of title II. General aid to education is prohibited. Subsection (c) sets out guidelines which the Director shall consider in granting assistance, and the criteria are clearly hard-core poverty indicators: low-income families, unemployment, public or private assistance, migrant or transient families, school dropout rate, military service rejection rate, disease, disability, infant mortality, housing, crime, and juvenile delinquency.

Under section 206 specialized personnel will be available to assure development and conduct of community action programs. This is augmented by section 207 which provides for research, training and demonstration.

In the best tradition of Federal and State cooperation and partnership in major programs directed at aiding citizens in all our States, section 209 provides for assistance to State agencies which in turn provide assistance to local community action programs. And the Senate amendments which added subsection (c) clearly and definitely lays to rest the charge that the States are being bypassed; for the Governor is given the veto power over any assistance to private organizations within the State. Clearly, this is not a case of Federal preemption.

Section 210 deals with the problem of allocation of funds within a State, and sets out guidelines which again are aimed at hard-core poverty.

Finally, section 211, though recognizing the importance of assisting single agency or organization programs which are directed at a cause of poverty where the comprehensive community action programs has not yet been developed, emphasizes the concept which is explicit through all of title II—that the various agencies and organizations within a community must get together and with the intended recipients develop a program which coordinates their resources and talents toward the elimination of hard-core poverty in their community. This emphasis is wholly proper, but we must not ignore those communities where comprehensive programs will be slow in developing, or where fueling factions may make the development and implementation of such a program impossible. The authority given the Director to assist programs which are directed at a specific cause of poverty in the community is the great hope for communities where the poor cannot or will not be helped by those who control the public and private funds, talents and other resources essential to the development and conduct of a comprehensive community program.

Mr. Chairman, there is an area of poverty long recognized by our fellow citizens. These are the problems of so-called migratory agricultural workers.

On April 22, 1964, while the Committee on Education and Labor was holding hearings on the bill before this body, I stated for the record:

Let us not forget that the substandard living and working conditions of the migratory farmworker represents one of the most infamous and deep-seated stigmas on our affluent society.

As part of the war on poverty which presently engages this administration and our Congress, we must not fall in the battle for decency and dignity for our farm laborers. We have skirmished to futility too often. We must now, in this session, commit all the forces available to this great Nation, both economic and creative, to meet and conquer poverty wherever it appears, and particularly where it attacks a group so poorly armed to defend itself as our fellow Americans—the migratory farm laborers.

I am particularly pleased that part B of title III provides for assistance for migrant agricultural employees and their families. Other worthy proposals are before the Congress which go beyond those in this bill. These should however have priority.

An immediate effect and bearing upon the conditions which create and perpetuate poverty for our migratory laborers can be achieved through the measures which are provided in section 311 of the Economic Opportunity Act of 1964. You will note that such programs shall be limited to housing, sanitation, education, and day care for children.

In limiting the programs under this part of the four enumerated areas, the committee refers specifically to three Senate-passed bills and another Senate bill now pending before the Housing Subcommittee of the Committee on Banking and Currency.

#### SENATE BILL 521—EDUCATION

Senate Report 201 sets out the following general explanation of this bill:

The bill establishes a 1-year program of Federal educational assistance to States and local communities seriously affected by the seasonal impact of migratory families. The program will be administered by the U.S. Commissioner of Education. The Federal assistance will be available to States for the purpose of improving educational opportunities for migratory children and also for pilot projects for adult education programs for migratory workers.

Only States qualifying as migrant agricultural employee States will be eligible to receive aid for migratory child and migratory adult educational programs.

Under the child education provisions of the bill, assistance is directed to the child of a migrant agricultural employee, the definition of which, permits home-base States to receive assistance under the bill and, in addition, covers both interstate and intrastate migratory farmworkers.

Title I of the bill provides for payments to State educational agencies, and through them to local educational agencies, to help defray the cost of educating migratory children during the regular school session. The Federal as-



sistance will be based on the average cost of education per public school child per day for the State. Federal funds could not be used for the acquisition of land, the erection of facilities, interest, or debt service.

Title II of the bill authorizes grants annually to State educational agencies for necessary summer schools for migratory children conducted by local educational agencies or institutions of higher learning. These grants will be allotted among the migrant agricultural employee States on the basis of their relative populations of migratory workers during the normal summer school period. Federal funds could not be used for the acquisition of facilities or costs related to any such acquisition.

Title III of the bill authorizes grants annually to State educational agencies for State and interstate planning and coordination of programs concerning educational problems of migratory children.

Title IV of the bill authorizes grants annually to State educational agencies to defray operating costs of pilot projects for adult education for migratory workers. The pilot projects would be conducted by local educational agencies or institutions of higher learning, or both. Grants would be made by the U.S. Commissioner of Education for programs of fundamental education and training for healthful modern living, including, but not limited to, programs such as literacy education, remedial elementary and secondary education, child care, personal hygiene, sanitation, homemaking skills, nutrition, and job improvement activities.

The bill expressly prohibits any Federal control of education in the States and local communities.

#### SENATE BILL 522—DAY CARE SERVICES

Senate Report 198 sets out the following: Section 5(a) authorizes an appropriation to enable the Secretary of Health, Education, and Welfare to make grants to public and nonprofit agencies, institutions and organizations for paying part of the cost of establishing and operating day-care facilities for children of migratory agricultural workers.

Grants shall not be made available to any day-care facility unless the Secretary is satisfied that the facility—which may include a private home—will meet State standards.

Section 5(b) prohibits a State from obtaining Federal funds to assist in providing day-care facilities when such facilities were used to obtain Federal funds under the general day care provisions of the Social Security Act.

It is to be noted that the Committee has modified the Senate bill in one particular: institutions, organizations, or individuals—as opposed to States, political subdivisions of States and public and nonprofit agencies—shall be eligible under this program for direct loans only.

#### SENATE BILL 526—SANITATION

Senate Report No. 199 sets out the following general explanation of this bill:

By easing the financial burdens that prohibit the farmer from providing im-

proved sanitation facilities for migratory farmworkers, this bill will make three major contributions toward improving the health of migrant farm families.

First, this bill (S. 526) will be a valuable adjunct to the Migrant Health Act (Public Law 87-692), which was passed in the last session of the Congress and signed by the President on September 25, 1962. This act provides family health clinics for migrants. But without improving the environmental health conditions of the migrant, the medical services, inoculations, and education in the healthful living provided under the Migrant Health Act, will be of limited benefit to these unfortunate citizens.

Second, once financial assistance is available to farmers, State legislatures will be less hesitant to pass adequate sanitation or health codes.

The approach of this legislation then is eminently realistic. The assistance to States recommended in this bill (S. 526) is essential and will encourage public and private agencies to improve environmental health conditions of migrant agricultural families.

#### SENATE BILL 981—HOUSING

This bill is pending before the Housing Subcommittee of the Banking and Currency Committee of the Senate. It amends existing provisions of the 1949 Housing Act and would add two new sections to the laws. First, an amendment to section 504(a) of the Housing Act would authorize the Secretary of Agriculture to provide a domestic farm laborer with a loan-grant combination of up to \$1,000 for making repairs or improvements to a dwelling occupied by him to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or to the community.

Second, section 514 of the Housing Act would be amended to authorize the Secretary of Agriculture to provide loan insurance to domestic farm laborers for the purpose of assisting them in the provision of adequate housing and related facilities.

Third, the bill would add a new section 516 to the Housing Act to authorize the Secretary of Agriculture to make direct loans to farmers, State and local governments, public and private organizations, and to domestic farm labor for the purpose of providing adequate domestic farm worker housing.

Fourth, an added section 517 would authorize the Secretary of Agriculture to provide financial assistance to States and local governments, public or private nonprofit organizations, or farm associations in order to assist in the establishment of low-rent housing for domestic farm laborers and their families.

These various bills, and the programs or projects contemplated thereunder, constitute the limits of the authority granted to the director under this part. He is authorized to utilize for these purposes not to exceed \$15 million of the funds appropriated for the fiscal year ending June 30, 1965, which \$15 million he may take from the appropriations for any or all titles of the act.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. TAFT].

(Mr. TAFT asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I regret very much that there seems to be no possibility that the proponents of this legislation will yield to those who would like to ask them questions. They never seem to have enough time to have a direct confrontation and exchange of ideas so we must use up our own time to question their questions.

The gentleman from California has suggested that in my opening statement yesterday that I had overemphasized the danger of unnecessary overcentralization of authority under this program. He suggested that this proposed Governor's veto should allay our fears on this point. He suggested we should take a look at the community action program as an indication of how well we are decentralizing authority under this program.

I might say that the community action title description is a complete misnomer, if it is thought that a community must necessarily be involved under this bill. President Johnson, when he made his initial statement about the legislation, suggested the importance, and I quote him directly, of local plans calling on all the resources available to the community in order to attack poverty. I might say that a community action program can be initiated by a single agency, public or private, within a community. There is no requirement for the utilization of all available community resources. Originally an application had to be made by an organization broadly representative of the community, and that language was stricken out. So what we have, in the language of the bill, is a very real danger of a fragmentation of authority. There is no requirement of a community action in order to qualify for Federal funds. The determination as to whether this community gets the funds or not rests entirely with the Director.

There is no kind of meaningful partnership between a local community or with the States. Surely a veto power on the part of a Governor does not mean there is going to be any meaningful participation by the State or the local community in the development of plans. It merely means that if the Governor does not like a program, he may prohibit the Federal Government from coming in. I do not see how this proposal would in any way overcome our objections. There is still a very unwise overcentralization of power in the hands of a single Director of the war on poverty.

Mr. TAFT. I thank the gentleman for his contribution.

I would like to start my remarks by saying I would second strongly everything that the gentleman from New Jersey has said.

I would particularly like to address the attention of the committee to title II, the



"community action" program which we have been discussing.

It has been stated by the sponsor of the bill, the gentleman from Georgia, that a community plan must be submitted before any community action program is undertaken.

This is an interesting statement. It was made before the Committee on Rules and it was made again here on the floor of the House yesterday. Yet, in the language of the bill, there is absolutely no requirement that a plan of any kind be submitted before a director decides to participate in a community action program. The Senate apparently did put in some language which is found in section 202(4) which asks some participation by public agency and private nonprofit organizations primarily concerned with the community's problems on poverty.

As I indicated yesterday in talking on the rule, I feel that the battle against poverty has been an American dream. It is a goal that has long been pursued and it has been a crusade upon which we have long been embarked.

I do not know how many of you have served on boards and various welfare agencies in your own community in dealing with this problem, but I know many have. I know that I can say in all modesty that I have served on such boards. I served for 2 years as chairman of the Community Health and Welfare Council of my own county in Ohio. I saw there the actions that are going on by a multiple number of agencies, probably 60 or 70, attempting to attack this problem in all its facets.

I mentioned yesterday also that we have already on the books many, many programs which do require local and State participation and local and State financing.

Neither is required under this bill. It could be, only if the Director desired to put it in.

Having some knowledge of the kinds of pressures with respect to financing which come up in these cases, it seems extremely likely that the financing under title II would be 100 percent Federal financing. It would be surprising if it turned out to be anything else.

In many ways this attack which we are supposed to be launching upon poverty would enable the Director to do as he pleased. I do not distrust this gentleman who has been named as the possible Director of this program, but we are dealing, as has been said many times, with a government of laws and not of men. There is absolutely no requirement that the Director consult with anyone, other than to find some local agency of some sort, public or private, which will be willing to go along. If he did not have one available, he could create one willing to go along with him and sign up under a contract saying, "We will go ahead with a new program in which you will prescribe all of the conditions and provide 10-percent of the financing."

This approach presents a great many dangers. In many communities it may have the result of harming rather than of helping the war against poverty.

In the nature of health and welfare setups in many communities there are jealousies and there is duplication between and among various agencies. The community chests and the planning councils have attempted to pull these together and eliminate them. Yet what is proposed would enable the Federal Director to come in and take sides. He could start a new agency, without any approval of such local planning council or planning agency, without any requirement that there be a local interest involved.

That is the primary weakness in this approach.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman from New York.

Mr. GOODELL. Briefly stated, I believe this is the problem we have faced over and over again: The authority to be granted here to the Director would permit him to do this in almost any way he wished.

When we raise questions as to having local participation, they can very honestly answer, "Yes; the Director can do it that way," as the gentleman from New York [Mr. POWELL], the chairman, did throughout his original speech. They can say, "The Director will do it that way."

Everytime we try to assure a government of laws by writing in some guideline, some standard, some requirement that it be done that way they say, "No. No. No. Don't put in anything like that, because he has to have full and complete authority to do anything he wants."

That is not State and local responsibility nor rights.

Mr. TAFT. I concur with the gentleman's statement.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I should like to quote the remarks of two prominent Democrats, who testified before our committee on this point, to demonstrate the point that the gentleman from Ohio is pointing out.

Mayor Cavanagh, of Detroit, pointed out:

We have been acutely aware of the need for a concerted and determined community action program against the roots of poverty. \* \* \*

I think one of the problems, at least in the cities, is the fragmentation of approach as evidenced by individuals and separate programs enacted either locally or on a Federal level.

Surely the power which is now to be given to the Federal director over poverty, in the Office of Economic Opportunity, will encourage the very fragmentation of effort about which the gentleman from Ohio is concerned, as is also the mayor of Detroit.

We have seen concrete evidence of this in New York City, where various anti-poverty groups have come down to Washington, D.C., to call on Mr. Shriver, to find out what chance they have of getting money.

As Mayor Wagner pointed out, he believes that if Federal antipoverty money goes into New York City he should have a say as to where it goes.

Despite the mayor's appeal, there is no requirement in this bill that local government will have any responsibility. There is a possibility of contacting localities, but there is no requirement for a partnership endeavor in this program. Surely we would be going in the wrong direction if we were to authorize such a freewheeling approach as this.

Mr. TAFT. It is interesting that the gentleman mentioned Mayor Wagner, because the impact which this fragmentation can cause is well demonstrated in an article written about Mayor Wagner's visit to Washington, published in the New York Times of August 4. I quote it in part:

Mayor Wagner came here today looking for money for his antipoverty program and went home with promises of cooperation.

It appeared, however, that it might take some time before the promises would be converted into cash. \* \* \*

The mayor declined to say what proposals he had put before Mr. Celebrezze and Secretary of Labor W. Willard Wirtz in separate closed sessions.

It is interesting that the mayor was dealing not with the director of the poverty program at all but with these two gentlemen.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. TAFT. Continuing, the article states:

All Mr. Wagner would say about his requests was that they involved principally programs for retraining unemployed workers and vocational education for young people.

Well, let me suggest that the primary programs we have here which are under the departments—he was talking to the right men and to the right Cabinet officers—the primary programs we have, from the point of view of funds, resources, or anything else deal in the area of vocational training and retraining of unemployed workers. They are not in this program or this bill but, rather, in those that we have already put on the books. The gentleman from California was mentioning just a short while ago that he felt all of the programs that are involved in this area have been sponsored by the party of which he is a member. If I recall correctly, the programs in these areas have had bipartisan support. As a matter of fact, I believe that the manpower development and training bill was basically a Republican bill. We supported its recent extension. I do not think there should be any monopoly. We do not make any claim that we have a monopoly on any particular area of favorable legislation, but on the other hand, I do not think we are willing to grant a monopoly to the other side, either.

I would like to ask one question of the gentleman who is the sponsor of the bill. I would like to put the question to the chairman of the committee perhaps.



May I have the attention of the gentleman?

Under title I, part B, which the gentleman from Georgia discussed yesterday, it has been said very broadly—and I believe the gentleman repeated the statement—that this was to help somehow on the dropout situation and to eliminate the dropouts. Just as a matter of interpretation, I would like to ask the gentleman about the word in the bill in title I, part B, requiring that any recipient of this program be unemployed. Would this not, under the usual construction of the word “unemployed” and the qualifications for unemployment compensation or otherwise, eliminate any youth who is in school from the coverage of the program? If so, what does the gentleman expect to do about it in order to do something about the dropout problem? I have felt, of course, that it is a problem that must primarily be handled in the schools. Title I, part B, is designed not to go into the schools with an anti-dropout program but, rather, to take care of those who have dropped out. Does the gentleman have any reply to that?

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. TAFT. Yes. I yield to the gentleman.

Mr. PERKINS. May I say to the gentleman that the word “unemployed” does not exclude youth who have dropped out of school.

Mr. TAFT. The question which I was putting to the gentleman is whether or not it included youth who are in school but who may become dropouts unless they have some additional assistance.

Mr. PERKINS. It does not exclude that group. It is intended to take care of the potential dropout.

Mr. TAFT. Does the gentleman believe anyone who is in school and does not have a job is one of the unemployed?

Mr. PERKINS. Well, the word “unemployed” there is not construed narrowly. It is construed broadly, and the report makes it very plain that we intend to take care of the potential dropout as well as the youth that is not going to school or the unemployed youth.

Mr. TAFT. I think the use of the word is very confusing and would be probably interpreted otherwise.

Mr. PERKINS. I think the gentleman will agree with me the language is broad in the bill and, furthermore, the report is very clear on the specific point.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield to me?

Mr. TAFT. I will be glad to yield to the chairman of the subcommittee.

Mr. LANDRUM. In addition to what the gentleman from Kentucky, [Mr. PERKINS], said in his colloquy, I would suggest an inspection of the language in section 112 would show that there is a requirement that these programs shall be coordinated whenever appropriate with programs of training and education, which would be a sufficient safeguard for that.

Mr. TAFT. I think that the use of the word there and the lack of clarity of thinking on it indicates once more the failure in draftsmanship which has gone into this bill.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman.

Mr. PERKINS. On page 6 of the report we find at the top of the page:

1. Out of school, unemployed and who need assistance and experience to resume and maintain school attendance—

Then we get down to No. 3—

in school, but who are identifiable as potential dropouts and for whom a work experience and financial assistance would provide the necessary incentive to continue in school—and so increase their employability.

I think the language is very clear in the bill.

Mr. TAFT. The language of the bill is clear. It says they have got to be unemployed. Under this definition every student in every school who did not have a job would have to be classified as one of the unemployed.

Mr. Chairman, there is one other item I would like to mention, in closing, and that is the supposition that seems to be made here that by adding the amendment requiring a Governor's veto or allowing a Governor's veto as to any program under title I or title II we have somehow solved the problem and given deference to States rights. I question very seriously whether this is a proper State constitutional approach to say that any Governor alone shall have the right, without going to his legislature or through proper constitutional procedures of the States that are involved, to act for the State in this connection. What authority would the Governor have under the State constitution? If he has none, as I suspect, the provision to all practical purposes is meaningless.

Mr. LANDRUM. Mr. Chairman, I yield 12 minutes to the gentleman from New Jersey [Mr. THOMPSON].

(Mr. THOMPSON of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in support of the bill H.R. 11377, and particularly to discuss section 603, which authorizes the recruitment, training and assignment or referral of Volunteers in Service to America—VISTA, if you will.

This assignment to me has been made because VISTA is the outgrowth of extensive hearings conducted during 1963 by the subcommittee which I chair on a bill to create a national service corps. I introduced that bill, H.R. 5625, and more than 40 of our colleagues joined as cosponsors. Some of the cosponsors were from the other side of the aisle. The printed transcript of these hearings together with submitted statements, letters, telegrams and the like, were published in two volumes, totaling almost 700 pages.

These hearings have been available now for nearly a year, and the Members have had the opportunity to study them. It is significant to note the overwhelming testimony in favor of a Federal project which would recruit and train volunteers to spend some time helping their fellow citizens to help themselves.

We found that there was an intense spirit of service throughout the United States. We found a pressing need to

stimulate still greater volunteer activity throughout the Nation. We found that the public and social service agencies believe that a nationally sponsored program for full-time volunteer service will afford an effective means of stimulating greater volunteer activity at all levels. We found, further, that these same agencies believed such a program would encourage more young men and young women to pursue the helping professions as a career.

Additionally, and of greatest significance, we found that these volunteers will make material contributions by their own efforts toward the elimination of the causes and effects of poverty.

I shall not go into the provisions of section 603 in great detail, for it is well covered in the committee report, and, with unanimous consent, I shall include in the RECORD, at the conclusion of my remarks, that portion of the report dealing with VISTA. In order, however, that there is no misunderstanding, I want to emphasize several points about what VISTA will and will not do.

VISTA will recruit and train volunteers.

It will refer volunteers, upon request—I repeat, upon request—of State or local agencies or private nonprofit organizations to perform duties in furtherance of programs combating poverty at a State or local level. Volunteers who are referred cease to be the responsibility of the Director of the Office of Economic Opportunity.

VISTA will assign volunteers, in cooperation with other Federal, State, or local agencies involved in work in meeting the needs of:

The original citizens of this land, the American Indians.

Those who pick the seasonal crops, the migrant farmers.

Those in the slum areas of our cities.

The bypassed Americans, those in isolated rural areas.

The forgotten Americans, the mentally retarded and mentally ill, in nonprofit institutions assisted in their construction or their operation by Federal funds.

Finally, whether assigned or referred, there is an overall category which VISTA will serve: The children in our less fortunate families who, above all, need to have their horizons lifted and to be shown their true potential in our American way of life.

In contrast, there are some things VISTA will not do:

It will not go into any State without the consent of the Governor. We cannot tell Governors what to do, but, as is pointed in the committee report, we would fervently hope that this consent would be forthcoming at all times, and especially where volunteers have been requested to work on an Indian reservation, in a Job Corps camp, or in a federally supported community action project.

It will not go anywhere except by local invitation. This is statutory in the case of referred volunteers. In the case of assigned volunteers, I believe we have made and are presently making clear, by legislative history, that by the words “in cooperation with other Federal, State, or local agencies involved,” we mean that the Director of the Office of Economic



Opportunity will respond to a request for assignment in the same manner as he would to a request for referral.

By incorporating a federally sponsored volunteer corps in the Economic Act, rather than making it a separate program, we have succeeded in pinpointing the use to which VISTA will be put. I freely credit my colleague, the gentleman from New Jersey [Mr. FRELINGHUYSEN] for pointing out the need to pinpoint the areas where volunteers might work. It was one of his frequent and well founded criticisms of the original National Service Corps bill. Our minority colleagues also—as an examination of the hearings will show—indicated that a federally sponsored national volunteer program should be confined to areas of direct Federal responsibility.

As an integral part of the Economic Opportunity Act VISTA volunteers are now closely keyed into the overall anti-poverty effort. They may participate in activities under this act, as aids, counselors, teachers, and advisers. They will assist in carrying out other Government programs on Indian reservations, in the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, or the trust territories. They may assist in programs for migratory workers. In the field of mental health, they may only work in those institutions where Federal funds have been used in part or in whole in the construction or operation of the facility. The philosophy here has been to restrict their use to those areas of Federal responsibility.

We have authorized the use of volunteers in areas where the Federal connection is not so clearly defined, but we have limited the Federal responsibility to the recruitment and training of the volunteers. We have further limited Federal responsibility to make referrals, upon request, only to State and local or nonprofit agencies when the project is one to combat poverty. When a volunteer is referred, as against assigned, the local sponsoring agency is responsible for his subsistence and the payment of such stipend as is deemed desirable.

In substance, we have pinpointed VISTA to poverty, either under this bill or outside it, and to areas of defined Federal responsibility.

Minority members of the subcommittee know how reluctant I was to give outright veto powers to the Governors. I wanted very much to bring the State and local governments into the picture. However, in the end, I bowed to what I conceived to be the weight of numbers. No matter how much we wrestled with the semantics of legislative language, we knew that the work of volunteers, under whatever name, could not be successful without the full cooperation of State and local authorities.

VISTA's authorization takes less than two pages of this bill. A great deal of work on the part of my subcommittee went into it. Fifteen days of hearings. Many conferences. Many attempts by many people to work out language and to crystallize thinking. VISTA is the essence of all that work.

Mr. TAFT. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. TAFT. I think it very interesting, in view of what the gentleman is saying, that the bill he proposed originally was 20 pages, and on which there were extensive hearings. They now put that bill on the shelf, giving up the basic concept of the domestic Peace Corps, and cutting it down to 2 pages, with no standards, with nothing but a general finding by the Director that the program be related to poverty.

Is the gentleman truly satisfied that in the few pages left he has gotten his money's worth on the original program he recommended?

Mr. THOMPSON of New Jersey. I am satisfied. I might say I am more than satisfied. I refer the gentleman to the whole bill. There would be more than 2 pages were there not cross-references to other sections, particularly in titles I and II, which contain language that existed in the original legislation.

I think, as with so many other things, boiling down often gives something a little better taste and improves it. I say that is true with respect to the original 20-page bill. I think the gentleman well recognizes, whether he will admit it at this point or not, his footprints appear in VISTA, because the gentleman from Ohio is a member of the subcommittee, whom we will miss. He is the one who carried the burden and the argument that this activity should be limited to areas of known and specific Federal responsibility. I did not want to take the gentleman away from anything with which he was thoroughly familiar. I have not done that.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I should like to commend the gentleman for his statement and ask him how he feels about the role of the local and State governments that occurred during our discussion. Does he feel that the community action program as provided for in title II of the bill with the so-called veto by the Governors as provided in the Senate-passed bill, that the modification of that veto proposed by the gentleman from Georgia provides an adequate rule for the State, for local units, and a determination of the operation and administration of the community action program?

Mr. THOMPSON of New Jersey. Well, I admit quite candidly, given my "druthers," I would not have the veto power because I can conceive in a few isolated instances of disagreements within the State between the Governor and the mayor of any city who has a project. I do think, however, that there is an enormous amount left to be done—an adequate amount—under this modest proposal left to be done constructively under the terms set forth by the local and State governments.

Mr. FRELINGHUYSEN. Would the gentleman comment on Mayor Wagner's statement that he made to us in committee?

I feel very strongly that the sovereign part of each locality in which such a community

act is prepared would have the power of approval over the makeup of the planning group, the structure of the planning group, over the plan.

Mr. THOMPSON of New Jersey. I was not particularly impressed by that statement.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. LANDRUM. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. THOMPSON of New Jersey. Mr. Chairman, first of all Mayor Wagner knows better than to call a municipal government a sovereign. He is a very splendid public servant, but I am not disturbed at all by his statement.

Mr. FRELINGHUYSEN. Is it not lack of sovereignty of New York City that is worrying him? He feels perhaps the city is being shortchanged by the State.

Mr. THOMPSON of New Jersey. New York City is so large sometimes a mayor could consider it sovereign.

The fact is, however, like every other city in the United States, it is a creature of the State, unlike the State being a creature of the Federal Government.

Mr. ROOSEVELT. If the gentleman will yield, it could possibly be that the mayor of New York, having had some problems with the Governor of New York, feels very strongly about this.

Mr. THOMPSON of New Jersey. He may have that in mind. I might say that the city of New York and particularly Brooklyn have already undertaken a large-scale project with their own money, and a very constructive one, in that area.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from New York.

Mr. GOODELL. The gentleman will recall that when the mayors testified, not only Mr. Wagner but the mayors of Syracuse and Chicago brought out that they felt community action should be taken only with the local government participating. They asked that this be required. One of my concerns is that when we asked to require this specifically, there was a refusal to do so. The request of the mayors in that respect was turned down, and the Federal Government now can go into Syracuse or New York City or Chicago without the approval of the local authority or the local government there. I suppose the gentleman in his comments about the Governors and mayors might well have had in mind the problem of having some program starting in the city of Birmingham which the Governor of Alabama might veto.

Mr. THOMPSON of New Jersey. I might say I am much more familiar with New Jersey.

Mr. CAREY. Will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from New York.

Mr. CAREY. I just wanted to make it abundantly clear that the mayor of the City of New York, facing the problem which we face in that great city, with 90,000 people out of work and out of schools in the ages between 16 and 21,



is anxious to take such steps as are necessary to handle such problems in that city of New York, facing the problem help appropriate to do that, and he wholeheartedly supports this bill in each and every particular.

Mr. THOMPSON of New Jersey. He has done that. I am equally certain that the Governor of New York, who is an outstanding Governor and an entirely responsible one, will not allow any political considerations to veto a major project.

I might say also there has been no attack on the VISTA program. I hope at least we have had success with respect to it.

Mr. GOODELL. I want to thank the gentleman for the work he did on that program. I think this is one of the better programs. I am sure the gentleman is correct that the Governor of New York would not veto projects going into New York City which were desired by New York City. The point was made, and I think the gentleman will concede it, that there is nothing in this legislation to prevent a project from going into New York City that the mayor of New York City did not want and in which the community of New York was not participating. Language preventing such a possibility was the direct request of the mayor of New York and the other mayors.

Mr. THOMPSON of New Jersey. That might be true. I think the gentleman is worrying too much about this, because it is inconceivable to me that any project of any merit to be assigned in New York or to be approved by Governor Rockefeller would not be approved by the Governor. Both men are extremely conscious of the problem.

Mr. GOODELL. We feel no project should go in without local participation, but when we try to require it they say, "Don't do that. It will tie our hands, because some time we might want to go in without that approval."

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

(Mr. JOHANSEN asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Chairman, I have taken this time as a member of the Manpower Utilization Subcommittee to raise some questions. I call the attention of the Committee to section 602 (a) and (b) of the bill:

In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to:

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949;

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946, compensate individuals so employed at rates not in excess of \$100 per diem.

Mr. Chairman, I take this time primarily to ask a question as to whether the law is being obeyed either by the executive branch or by this House.

When I speak of the law I refer specifically to Public Law 801 of the 84th Congress which provides that in the event of proposed legislation involving an estimated annual expenditure of appropriated funds in excess of \$1 million, there shall be submitted to the Congress by the sponsors and by the executive agency or agencies involved, certain detailed information including a statement for a 5-year period—the first 5 years of the program—of the estimated required maximum additional man-years of civilian employment by general categories or positions; expenditures for personal services; and expenditures for all purposes other than personal services.

Now I have read and reread the report, both the majority and the minority report, and I fail to find this information provided.

I am advised by a member of the staff of the Manpower Utilization Subcommittee that an inquiry directed to the staff of the Committee on Education and Labor this forenoon indicated that that information had not been supplied and at least the individual staff member contacted was not even cognizant of Public Law 801.

I am further advised by a member of the staff of our subcommittee that the Assistant Director for Legislative Liaison in the Bureau of the Budget stated that as of 11 o'clock this morning, the executive branch had not submitted employment estimates on this bill.

It is an ironical fact, however, that on the contrary the August 1964 issue of the Air Force magazine quotes a statement by Mr. Shriver made at a meeting of the Air Force Association Retired Council in June to the effect that the Job Corps itself as a single title in this bill will involve by 1966 a full-time staff of some 20,000.

Furthermore, this article from the Air Force magazine of August 1964 states that retired military personnel are eligible or will be eligible to appointment to these positions subject to dual compensation restrictions which under present law would exclude Regular officers but would not exclude Reserve officers.

I think it is a matter of very serious concern that before committee action, or before whatever action is taken by the House on this matter, this information required by the law should be supplied, and I suggest it ought to have been supplied and incorporated in the committee report itself.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am happy to yield to the gentleman.

Mr. ROOSEVELT. I think the distinguished gentleman should realize under the terms of this bill that is to go into effect, it is limited to 1 year. At the end of that time it must come back to the Congress for any further implementation. In other words, this is just a temporary agency. I would not try to dissemble in any way: It is naturally the hope that the agency will do a good enough job so we have laid out the guidelines for additional years.

What the designate director has said merely refers to the assumption that he

will do a good enough job to go ahead. Next year, when they come back for a renewal for a longer period of time, the law will be completely fulfilled.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield further?

Mr. JOHANSEN. I yield to the gentleman from California.

Mr. ROOSEVELT. I believe the gentleman knows that has been submitted for this current year, which is presently authorized. The full details of what will be required have been submitted.

Mr. JOHANSEN. Of course, the gentleman's statement does not conform with the information I have as to the detailed employment figures and data.

Mr. ROOSEVELT. If the gentleman will yield further, I believe the gentleman will find that in this congressional presentation dated March 17, 1964, in which all the details are laid out. A copy was sent to every Member of the House.

Mr. TAFT. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Ohio.

Mr. TAFT. With respect to the publication which has just been referred to, which was distributed to all Members of the House, on page 59 it is stated, in regard to the cost of volunteers referred and assigned and so forth, that the total cost will be \$1,200. I believe that figure certainly leaves out the ordinary expenses involved.

The testimony on the National Service Corps bill, as well as the report, clearly states that the average cost estimated for a service corps man is \$4,100 per employee.

I believe the committee should also know that in a discussion with me one of the gentlemen who has been working on the bill—apparently the gentleman who expects to be appointed in charge of title I, the Job Corps program—indicated to me that in the Job Corps program there will be 1 employee for every 5 enrollees. This would mean, with 40,000 enrollees in the first year, there would be 8,000 additional Federal employees or perhaps some non-Federal employees. Some of them perhaps would be under the VISTA program. They would be semi-employees. The cost would be in excess of \$4,000 a year each.

We are not taking about hay here. If we have a youth corps which reaches 200,000 or 300,000 ultimately, with 1 employee for every 5 of them, we can pretty well envision the number of additional Federal employees we will run into.

Mr. JOHANSEN. Let me ask the gentleman from California whether this yellow brochure which he showed reports the estimated maximum man-years of civilian employment involved in this legislation.

Mr. ROOSEVELT. If the gentleman will yield, I believe the answer is "no," beyond this 1 year, because it was not felt that this would be possible until a further program was enacted.



Mr. JOHANSEN. Does it provide information as to the man-years of civilian employment for the 1 year?

Mr. ROOSEVELT. If the gentleman will give me a few minutes, I will try to determine that.

Mr. JOHANSEN. Certainly. I am not trying to embarrass the gentleman. The law is quite clear.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield the gentleman from Michigan 3 additional minutes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from California.

Mr. ROOSEVELT. I believe it important to point out that while the law does require that, and certainly the Appropriations Committee can insist on it before they do anything, under no circumstances could more money be spent than authorized under the bill.

Mr. JOHANSEN. I say, with all respect to my friend from California, that is not what the law provides. The law does not provide anything based upon whether the plan proves to be good after 1 year, or that they are to thereafter provide such information. The law specifically states that the information is to be supplied with respect to any new program which is advanced and recommended by the executive branch. I submit that the law has not been complied with.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. This appears to be the second time within a few days that the Committee on Education and Labor has failed to conform to the provisions of Public Law 801.

Mr. JOHANSEN. The gentleman is correct.

Mr. GROSS. A few days ago the committee brought out a bill to establish a National Commission on Technology, Automation, and Economic Progress.

Mr. ROOSEVELT. Will my friend yield so I can answer that?

Mr. JOHANSEN. Yes. I yield to the gentleman from California.

Mr. ROOSEVELT. The gentleman is enough of a parliamentarian to know that there is no requirement that the committee do this in the law he referred to, but there is a requirement on the executive branch.

Mr. JOHANSEN. I decline to yield further in order that I may respond.

The requirement is on the executive branch, but does the gentleman suggest that it does not impose a concomitant requirement on the committee to see to it that the executive branch conforms?

Mr. ROOSEVELT. If the gentleman will yield further, the answer to his question is we feel we have known that and we will find the reference here that we have done it for the 1 year, which is all we could do it for, because we did not want to imply by any implication that we were setting up more than a 1-year program.

Mr. JOHANSEN. Let me say to the gentleman, and I will await documentation to establish that, but in the meantime the record is transparently clear that in the report of the committee it was not done. That information was not called for in this law for the simple purpose of collecting statistics. It was provided in the law in order that this House, before it committed itself to this program and before it gave birth to a new bureaucracy, knew something about what the size and the cost of that new bureaucracy would be; and if nothing else, by dereliction, in failing to provide that information in the committee report, you frustrate and defeat the very purpose of this law. I sit, as does my friend from Iowa, on the Manpower Utilization Subcommittee week after week and hear reports about the necessity for increased manpower because of what Congress did. This legislation I refer to came out of the Post Office and Civil Service Committee and the Manpower Utilization Subcommittee because of this very situation. You talk about birth control. The purpose of this provision of the law is to provide birth control on bureaucracy, and this law is flouted, openly flouted, by disregard and neglect if not by deliberate ignoring of its provisions.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FRELINGHUYSEN. I yield the gentleman 1 additional minute.

Mr. HALEY. Mr. Chairman, will the gentleman yield to me?

Mr. JOHANSEN. Surely. I yield to the gentleman from Florida.

Mr. HALEY. Does not the gentleman know there are so many cats and dogs in this bill that no committee of the Congress could comply with all of the laws it covers?

Mr. JOHANSEN. Of course. In response to that, I will say it is one of the reasons why we ought not to pass this bill. It is also an additional reason why Congress ought to have the information that the law makes mandatory we have.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LANDRUM. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. DANIELS].

(Mr. DANIELS asked and was given permission to revise and extend his remarks.)

Mr. DANIELS. Mr. Chairman, I rise in support of H.R. 11377. This is an investment in the future of America, an investment that will pay for itself many time over—not only in the humanitarian sense of giving greater dignity, satisfaction, and the sharing by individuals in the life of their community but will provide to millions of Americans the realization of a new chance. Also in hard dollars and cents terms, expand the economy in tax receipts, and other economic advantages resulting from the effects on the economy, thus providing greater opportunities for 30 million Americans. As Walter Heller, chairman of the President's Council of Economic Advisers, has said, "Returns on capital invested in human beings are fully as real and as great as those we realize on the money we invest in machines and equipment."

Every businessman knows that any investment that will reduce costs is a wise one; for if costs go down, profits go up. And it is at this level that lies the wisdom of the Economic Opportunity Act—the reduction of the costs of poverty, both to the community in general and to government—local, State, and National. There are at least five such costs which will be reduced or eliminated by the President's war on poverty.

First, the cost of alleviating that which this bill would seek to prevent; the cost of welfare, unemployment compensation, workmen's compensation, various veterans' benefits, old age assistance, aid to families with dependent children, and so on. A HEW report on special types of public welfare assistance showed the Federal Government alone spending \$2.7 billion, States spending \$1.7 billion, local governments spending \$625 million, for a total of \$5 billion. We spend \$8.6 million for aid to dependent children alone; \$2.7 billion for unemployment insurance benefits; \$18.6 million for food stamp; \$101.6 million for agricultural commodities distribution; \$251.8 million for commodity credit corporation donations; \$171 million for public housing contributions of the Federal Government. Public expenditures for welfare—Federal, State and local—are usually estimated at a minimum of \$6 billion; and that does not even include private charitable expenditures for this same item, which have been estimated at, at least, \$10 billion. On this first item alone, then, we have a potential savings, eventually, of at least \$16 billion every year—money that could be used for, say, balancing the budget—for an initial investment of less than \$1 billion per year. What businessman—or member of a party who seeks to defend business interests—could refuse such an investment?

Second, there is the cost to the Nation of the unused potential productivity resulting both from unemployment and from the relative inefficiency of workers in the lower income brackets. We have a paradox in this country of a great need for some kind of workers—I understand that many companies have already volunteered jobs for successful job corps graduates trained to their needs—at the same time that we have a vast number of unemployed workers eager for jobs; simply because the workers are not trained to fill the jobs that are open.

The loss to the companies and to the Nation resulting from having to tolerate unfilled positions will be eliminated by training potential unemployed workers to fill these positions through training programs under the bill we are considering today. Moreover, there is a loss in productivity from those who have jobs but are in the lower-income brackets, because of inefficiency resulting from ill health. A national health survey shows that these people are chronically ill four times as much as others, and are absent from work twice as much. As Walter Heller has said about this economic problem:

The cause of poverty here is not lack of jobs, but lack of the higher skills and productivity needed to yield a decent income. These people must be equipped with the



knowledge, skills, and health to find and hold better jobs.

Here again, such programs, as the Job Corps under the present bill will train people for these more productive jobs, and save the country the loss of potential productivity through poverty. This is a savings which could be even greater—even a better investment—than savings on welfare expenditure. HUBERT HUMPHREY summarized it well when he said:

The great sums of money we spend each year on welfare pales before the hidden loss in productivity and national income which we lose through continued poverty and unemployment.

Connected with this is the third, and perhaps greatest, loss resulting from poverty: The loss to American business of the great markets that would be provided by 30 million Americans if they could exercise the tremendous purchasing power of earned dollars that would accompany an escape from poverty. President Johnson has pointed out that by raising the average productivity of only 10 million of our poor enough to lift their annual earnings by a modest \$1,000, our Nation would gain—if you include the multiplier factor—that is, if you increase a person's income, you also increase the income of those to whom he is a customer and thereby raise incomes in the long run as much as 3 or 4 times what you increase them initially—at least \$14 billion of added output each year. This factor alone would pay back to the Federal Government, figuring on minimum income tax rates, its original \$1 billion investment with a handsome profit.

The fourth problem connected with poverty is crime—a problem that we, in the District of Columbia, are made especially aware of. David L. Baselon, Chief Judge of the U.S. Court of Appeals for the District of Columbia recently discussed the connection between poverty and crime—the impetus given to crime by lack of supervision of youth, school dropouts, and so forth—and concluded that “a successful war on poverty would come close to solving the crime problem.” Quite a return on a \$1 billion per year investment—near solution to a problem on which Federal, State, and local governments have spent billions.

This is an especially important point, it seems to me, in light of the most disturbing recent riots; riots conducted mostly by teenagers and men in their early twenties in the very conditions—unskilled, unemployed, living under substandard conditions—that this bill provides specific provisions to prevent. It is not enough to be against violent outbreaks; the question is, What does one do to prevent them?

I urge those who oppose this bill to seriously consider the moral implications of refusing to take action, such as that contained in the antipoverty program, to prevent future incidents like the ones that have occurred this past week.

Finally, a successful war on poverty would considerably reduce the costs of local government. Los Angeles has made a study of the problem and found that blighted areas cost the city 87 percent more in fire department services, and 125

percent more in health services than more prosperous communities, while yielding only 38 percent of tax revenues. Here, then is still another return on our investment; cheaper and more soundly financed local government.

Any one of these reasons would make the bill we are considering today a good investment; all five reasons make it mandatory that anyone with sound business sense realize that a vote against the bill resulting in its defeat will continue the alternative problems met by the bill; that is, continued enormous welfare costs; continued underutilization of our resources; continued realization of only four-fifths of our potential home market for American business; continued high crime rates; and continued high costs of services to slum areas without compensating tax revenues. Tens of billions of dollars of yearly costs that could have been prevented by an annual investment of only \$1 billion.

And lest I be accused of speaking too generally about this program, let us see what kind of investments we are making specifically under the bill. For example, under the Jobs Corps training program, studies indicate that enrollees will be able to earn from \$15,000 to \$60,000 more in their lifetime than they could otherwise. Again, quite a return on an initial investment of \$4,700.

By emphasizing the dollars and cents return on this bill, I do not mean to ignore the moral aspects of this issue. I believe very strongly that it is for primarily moral reasons that we must do something for our own indigent; that we owe it to those who have been denied economic opportunity—who lacked the initiative to go out and inherit a department store—to make the American dream something realizable for all. Only if we take strong action to do something about slum and rural poverty can we feel that we are moving toward what President Johnson has called the great society, a society with justice and equality as well as power and affluence. Moreover, other bills for which we have worked hard would become meaningless without some effort to extend economic opportunity to more Americans. There is a grim irony in extending, through a public accommodations section, the right to a man to use a restaurant, but deny him the training necessary for him to make enough money to feed his family adequately. But I have emphasized the monetary return on this investment because it has struck me as strange that some of those who make it quite clear that they have good business sense, would avoid an investment that has the kind of return that no sane businessman would consider turning down.

This is a bill that would help not only those at whom it is aimed, though that is of the greatest importance, but also the entire country; whether through lessening relief burdens, expanding production potential, increasing business markets by one-fifth, vastly decreasing crime rates, or reducing the costs of State and local government.

In one of the finest insights of his great inaugural address, our late and beloved President Kennedy pointed out that “If a free society cannot help the

many who are poor, it cannot save the few who are rich.” I believe that this is as true within our society as it is in our country's relations with the poorer nations of the world. In view of our successes in helping the indigent abroad, then we certainly can garner greater benefits in our Nation by helping the indigent right here at home. I urge passage of H.R. 11377.

Mr. LANDRUM. Mr. Chairman, I yield 5 minutes to the distinguished majority leader [Mr. ALBERT].

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, the debate on the antipoverty bill has not only been of a very high order but has made the Members aware that the great Committee on Education and Labor has done a tremendous job of work. First of all, I think it is in order to commend the committee for the quality of this and other important bills it has produced. It has made the 88th Congress the greatest education Congress in the history of this country. I commend all of the members of that committee, and I know we all commend the distinguished gentleman from Georgia [Mr. LANDRUM] upon his masterly handling of this bill on the floor. I also commend Republican members who have stated their points of view.

I think we are confronted with a national problem which everybody recognizes exists. The distinguished ranking minority member of the committee, the gentleman from New Jersey [Mr. FRELINGHUYSEN] introduced an antipoverty bill, if I am not mistaken. I do not think there is any question about the issue. I think we have before us a critical need and we have before us a bill which will meet it with appropriate solutions.

Mr. Chairman, I have had the honor of observing our great President since he took office last November. He has had incomparable burdens. He has done an incomparable job.

I can say without fear of contradiction that the President believes that this is the most important domestic bill that he has sent to the Congress. He has geared the entire budget, both defense and domestic programs, to mobilize an attack on what he believes is one of the most important problems confronting the American people, namely: the problem of the man and woman, the boy and girl, who, living in an era of unparalleled national prosperity, are not able to participate either at all or to any reasonable degree in that prosperity.

The President has said time after time that what he wants to do is to take those who have no hope, no opportunity, no job, no income, and try to make taxpayers instead of taxeaters out of them. In this era when our gross national product is reaching an alltime high we have 35 million people who live at the dead end streets of American life. We have too many people who are abjectly poor.

If their daily lives are bleak, their futures are even more grim. In the words of the gentleman from Georgia [Mr. LANDRUM] who has devoted much thought and effort to this matter, the children of poverty today become the



parents of poverty tomorrow. The poor exist as an ulcer on the healthy artery of American affluence and all our efforts to create new jobs offer no relief to those who have developed no motivation and no skills with which to seize opportunity should it ever come their way. Theirs is the profile of a minority group—the American poor. These human beings want not only to grasp a few of the necessities of life, bread and butter, and shelter, but they also want to be a part of and contribute to the generation and society in which they live. I think this is true of the most forlorn and desperate boy who walks the streets of the slums of any great city in this country—hopeless, frustrated, deprived of the opportunity of being a full-fledged human being.

I think it is true of the despairing boy of the marginal farm of the South, of the Middle West or the Far West. I think it is true of the boy on the front porch of the shack in the stripped mines of Appalachia.

Shall we look to the local communities to assume the entire burden of breaking the hammerlock of poverty, of rescuing these young lives, although in the main they lack both size and economic ability to handle alone a comprehensive attack on poverty?

Or shall we shape from our Federal, State, local, and private programs a key with which to open the door on increased earning power and spread opportunities for education, skills and jobs, for health, for community, and area rehabilitation?

Only a national, multipronged, cooperative program, utilizing all the resources available to us from these four major areas, can handle a problem which is national in scope and diverse in its causes, while producing the common result of extreme and persistent poverty.

Our deficiencies in training and education among the poor are being accentuated and increased by our rapid technological advances.

A good example of this in my own State of Oklahoma was cited by Commissioner of Education Keppel in his testimony before the committee. He said that recently when an Armour & Co. plant closed in Oklahoma City, an automation committee established by the company, the United Packinghouse Workers Union, and the Amalgamated Meat Cutters Union, found that of the 170 workers who were tested for retraining, only 60 had enough educational background to indicate that they would benefit from vocational training. The remaining 65 percent were told that their best chance for employment would be in casual labor.

Now we all know that jobs for unskilled labor are becoming increasingly scarce and that many of those in the poverty bracket work at them, sometimes more than one person in the family, and still they cannot make enough to provide a decent basic standard of living.

The minority report points out that poverty has decreased steadily over the past quarter century. But I am told that the erosion of poverty has slowed substantially since 1957, which indicates

to me that, contrary to the faith and hopes of some, time is not the cure-all for poverty and that technology is not going to wait for us to handle poverty by attrition—we are going to have to cope with it—now, on a broad scale, under firm marching orders.

The test of a nation's power today is the number of scientists, engineers, draftsmen, machine operators, scientific farmers, and mechanics that it counts among its population. We have an untapped resource of millions of people that we can add to our reservoir of trained and educated workers and taxpayers. Not as a matter of economics, nor logic, nor common decency, nor in fairness to future generations, can we justify excluding the American poor from the mainstream of American life. We must use our most valuable resources, our human resources, and use all of them.

Lasswell defines a democracy as a system in which there is actual and obvious movement toward a larger sharing by more and more citizens in the realization of such values as respect, wealth, enlightenment, skill, affection, well-being, rectitude, and power.

Does a democratic government thus serve its proper purposes when it ignores its obligation to implement democracy for all its people—to make human dignity a fact as well as a theory, to share opportunity and progress rather than to hoard or monopolize it?

Is democracy becoming an ideology which we claim but do not work at? Around the world there are thousands of wistful faces turned to America—not merely because democracy is a soul-satisfying and noble ideology but because it represents to them three meals a day, a chance to go to school, to get a decent job.

A few weeks ago we voted an appropriation of \$3.5 billion for foreign aid to maintain and encourage the free governments around the world. We sell democracy as a humane form of government whose most attractive feature is opportunity for all. We say, in effect, that the stark contrasts between rich and poor, so common in the Old World, and the rigid caste systems which limit opportunity and are common in the whole world, are not permitted to exist under our form of government. How then can we continue to operate under the resignation that the poor we have always with us?

The economic news today is very bright with forecasts of a GNP for 1964 which will hit a new high of approximately \$62.3 billion. We are setting new records in jobs, wages, profits, dividends, and income while Federal expenditures this year were kept below estimates and the deficit turned out to be smaller than expected. Prosperity has a firm foothold and the forecasts indicate that we have not yet seen the top of the ladder. Yet joblessness among our young people and among our minorities has not even been nudged by these overall gains. These people are not moving one whit closer to the mainstream of American well-being.

Mr. Speaker, it makes no sense for the richest nation in the world willingly to

wall off a sizable sector of its population from opportunities to contribute. We need these people in active participating roles. Technology is forcing a radical change in the basis of industrial leadership, economic success, and world power. It is making human resources our most valuable asset. Our planning, our goals will have to change to reflect this shift in emphasis.

It is time now, Mr. Speaker, to do more than dab a little ointment on the wound of poverty. It is time to treat the basic ailment so that all Americans can contribute to the strong economy we must have to sustain the tremendous costs of our military defenses and space development. By upgrading the lot of some of our people, we are insuring the freedom and progress of all our people.

This committee in reporting this bill has performed a memorable service for the Congress and the country. I hope all Members, regardless of politics, regardless of the section of the country from which they come, will back the magnificent effort of the men and women who have worked out and brought to us one of the true landmarks of a legislative session which I think is one of the most memorable in the history of the Congress.

Mr. LANDRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BRADEMAS].

(Mr. BRADEMAS asked and was given permission to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Chairman, at the outset of my remarks I want to pay tribute to the eloquent statement just made in support of this legislation by our distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT]; and also to pay tribute to the superb leadership which is being given on this bill by the distinguished gentleman from Georgia [Mr. LANDRUM].

Mr. Chairman, I rise for the purpose of discussing title I, part C, the work-study program, which is directed to encouraging part-time employment of college students who are from low-income families and need the earnings in order to pursue their college study.

I should explain that if it were not for serious illness in her family, the distinguished gentlelady from Oregon [Mrs. GREEN] would explain this part of the bill and I am sure she regrets not being able to be here.

Mr. Chairman, in 1958 when the National Defense Education Act was enacted, Congress declared that "we must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need."

We have accomplished a great deal in meeting this objective but we still have a long way to go.

There are each year more than 100,000 high school graduates of ability who fail to go on to college—young men and women who have the capacity to obtain a college degree, but who are denied the opportunity for one, largely because of the financial inability of their parents to



contribute to their educational expenses. A recent Office of Education financed survey, Project Talent, at the University of Pittsburgh, shows that 30 percent of high school seniors in the 80 to 90 academic percentile of their class, and 43 percent of the 70 to 80 percentile fail to enter college.

This nationwide study further found that young men and women from low-income families have much less chance of going to college than those from middle- or upper-class families.

At this point, I would like the RECORD to show data from Project Talent depicting the shocking talent loss now suffered by the Nation.

*Estimated costs for tuition and required fees and total cost of attending college, per student, 1930-31 through 1980-81*

| Year    | Tuition and required fees |         | Total costs of attending college |         |
|---------|---------------------------|---------|----------------------------------|---------|
|         | Public                    | Private | Public                           | Private |
| 1980-81 | \$760                     | \$1,815 | \$2,400                          | \$3,640 |
| 1978-79 | 653                       | 1,647   | 2,270                            | 3,450   |
| 1976-77 | 560                       | 1,494   | 2,160                            | 3,280   |
| 1974-75 | 480                       | 1,355   | 2,040                            | 3,100   |
| 1972-73 | 411                       | 1,229   | 1,940                            | 2,940   |
| 1970-71 | 353                       | 1,115   | 1,840                            | 2,780   |
| 1968-69 | 303                       | 1,011   | 1,740                            | 2,640   |
| 1966-67 | 260                       | 917     | 1,640                            | 2,570   |
| 1964-65 | 222                       | 831     | 1,560                            | 2,370   |
| 1962-63 | 191                       | 753     | 1,480                            | 2,240   |
| 1960-61 | 179                       | 676     | 1,400                            | 2,090   |
| 1958-59 | 164                       | 584     | 1,330                            | 1,950   |
| 1956-57 | 142                       | 495     | 1,260                            | 1,820   |
| 1954-55 | 139                       | 438     | 1,190                            | 1,700   |
| 1952-53 | 137                       | 420     | 1,130                            | 1,590   |
| 1950-51 | 138                       | 414     | 1,070                            | 1,480   |
| 1948-49 | 140                       | 396     | 1,010                            | 1,380   |
| 1946-47 | 125                       | 330     | 960                              | 1,290   |
| 1944-45 | 95                        | 280     | 910                              | 1,200   |
| 1942-43 | 88                        | 276     | 860                              | 1,120   |
| 1940-41 | 82                        | 270     | 830                              | 1,080   |
| 1938-39 | 79                        | 256     | 810                              | 1,050   |
| 1936-37 | 78                        | 253     | 790                              | 1,020   |
| 1934-35 | 75                        | 252     | 770                              | 1,000   |
| 1932-33 | 71                        | 251     | 750                              | 980     |
| 1930-31 | 71                        | 252     | 730                              | 960     |

*Percent of high school seniors not entering college<sup>1</sup> by scholastic aptitude<sup>2</sup> and income<sup>3</sup>*

| [Percent not entering college] |         |
|--------------------------------|---------|
| Percentile:                    | Percent |
| 90 to 100                      | 15      |
| 80 to 90                       | 30      |
| 70 to 80                       | 43      |
| 60 to 70                       | 54      |
| 50 to 60                       | 60      |
| 0 to 50                        | 76      |

<sup>1</sup> College attendance or nonattendance as reported by students on followup questionnaire 1 year after testing (1961).

<sup>2</sup> Scholastic aptitude as measured by composite of 4 Project Talent tests (1960).

<sup>3</sup> Income as measured by reported family income from Project Talent student information blank, item 173 (1960).

NOTE.—Project Talent—Office of Education cooperative research program, project 226.

*Percentages of high school graduates who did not enter college within 1 year after completing grade 12,<sup>1</sup> by aptitude percentile<sup>2</sup> and family income<sup>3</sup>*

| MALE                      |                   |                    |                    |                     |                 |
|---------------------------|-------------------|--------------------|--------------------|---------------------|-----------------|
| Aptitude level percentile | Less than \$3,000 | \$3,000 to \$5,999 | \$6,000 to \$8,999 | \$9,000 to \$11,999 | \$12,000 and up |
| 98 to 100                 | 0                 | 3.9                | 4.8                | 4.1                 | 1.5             |
| 90 to 97.9                | 12.1              | 13.3               | 11.4               | 7.5                 | 3.3             |
| 75 to 89.9                | 24.6              | 26.7               | 19.4               | 16.1                | 9.9             |
| 50 to 74.9                | 51.8              | 47.5               | 40.3               | 33.2                | 20.3            |
| 0 to 49.9                 | 80.4              | 72.7               | 68.1               | 59.8                | 50.3            |

Footnotes at end of table.

*Percentages of high school graduates who did not enter college within 1 year after completing grade 12,<sup>1</sup> by aptitude percentile<sup>2</sup> and family income<sup>3</sup>—Continued*

| FEMALE                    |                   |                    |                    |                     |                 |
|---------------------------|-------------------|--------------------|--------------------|---------------------|-----------------|
| Aptitude level percentile | Less than \$3,000 | \$3,000 to \$5,999 | \$6,000 to \$8,999 | \$9,000 to \$11,999 | \$12,000 and up |
| 98 to 100                 | 10.5              | 2.5                | 6.7                | 6.0                 | 3.2             |
| 90 to 97.9                | 36.7              | 19.2               | 16.1               | 14.9                | 4.8             |
| 75 to 89.9                | 38.9              | 43.2               | 30.2               | 28.2                | 10.1            |
| 50 to 74.9                | 74.8              | 64.2               | 57.4               | 40.8                | 29.2            |
| 0 to 49.9                 | 82.6              | 81.8               | 77.2               | 69.6                | 52.1            |

<sup>1</sup> College attendance was reported by respondents to the mail questionnaire who constituted about 67 percent of the Project Talent sample of 12th-grade pupils.

<sup>2</sup> Academic aptitude was measured by a composite of 9 Project Talent tests (C-002). Percentiles are based on a representative sample of pupils in grade 12 (March-April).

<sup>3</sup> Family income for 1959, as estimated by 12th-grade pupils on the student information blank, item No. 173, in 1960.

NOTE.—Project Talent—Office of Education cooperative research program, project 2333.

Much has been said about the high school dropout—and deservingly so. However, the high percentage of college dropouts also presents a serious problem—a problem of great national concern when we consider the well-documented statistics showing critical manpower shortages of qualified and trained personnel. Enrollment figures for our colleges and universities indicate that approximately 40 percent of all students who begin college withdraw before graduation. These are youths of proven ability—accepted as qualified candidates for a degree—but students who fail to achieve their objective primarily because of financial hardship.

As we look to the future and to spiraling college costs, there will be many more college dropouts and a greater percentage of qualified high school graduates who fail to enter college unless a program is offered to complement the student loan program now in effect.

In 1930 the total yearly cost of attending a public college was \$730; today it is \$1,560 and in 1980 it will be \$2,400. Attendance at a private college in 1930 cost \$960; today it is \$2,370 and in 1980 the total yearly cost is estimated at \$3,640. Let us not forget that under the National Defense Education Act student loan program today, the maximum amount a student may borrow is \$1,000 per year; that is only two-thirds of what it costs at a public college and less than one-half of what it costs to attend a private college. And may I add that the average loan under the title II program is only \$478.

Moreover, National Defense Education Act borrowers are heavily concentrated in families earning \$3,000 to \$7,000 per year. For example, 52 percent of borrowers' families earn \$4,000 to \$10,000 annually.

There is clearly therefore a need for an additional program to aid those in families earning \$3,000 or less.

In response to those who are dubious, let me cite the authoritative study of the American Council on Education, by Elmer D. West, "Financial Aid to the Undergraduate":

It is reasonably safe to state that the available financial aids go to the socially and economically favored segment of the population.

We have not yet reached the neediest students of our Nation and, without the college work-study program, we will not meet the overall objective of this act: to open to everyone the opportunity for a complete education, an essential objective if we are to begin to shatter the cycle of poverty.

At present more students help to finance their college education from their part-time earnings than from loans and scholarships combined. If additional employment opportunities could be made available, many more able students from poor families would be able to enter and complete college. It is the purpose of the college work program, proposed in title I, part C, to stimulate and promote the part-time employment, both on and off campus, of needy students with the result that more than 140,000 students will be assisted the first year.

In the words of a leading college student aid officer, college work-study is a vast "undeveloped resource." I ask unanimous consent that the RECORD carry at this point a most illuminating article by Dustin Burke, director of student employment at Harvard University.

#### STUDENT EMPLOYMENT—AN UNDERDEVELOPED RESOURCE

(By Dustin M. Burke, director, student employment office, Harvard University)

Our experience at Harvard University over the last 10 years suggests that many students can contribute from \$1,000 to \$2,000 a year toward their college expenses by working part time during the academic year and full time in the summer.

Self-help of this magnitude is possible for students at any college where officials (1) cultivate willingness by the college staff to hire student labor, (2) provide funds to develop an effective employment program, and (3) give the program director a free hand to explore and develop potential job opportunities for students.

Most colleges have concentrated their efforts in the area of part-time work during the school year. More progress is needed in helping students get summer jobs where potential earnings are higher and there is no conflict with ongoing academic commitments.

Perhaps the major reason that colleges have not made the same progress in developing employment programs as they have in the area of scholarships and loans is because responsibility for such programs has not been placed in the hands of those most concerned with student financial need—the scholarship and financial aid officials. At one college, student employment may be the realm of an assistant dean; at another, it may be that of the personnel office; at a third, that of the placement office. Rarely are both part-time and summer employment efforts (if the latter exist at all) coordinated by the same office. Under these circumstances there is little opportunity for communication among colleges to encourage the sharing of knowledge and the solving of common problems through the combined efforts of a group.

#### SINGLE OFFICE HAS ADVANTAGES

The advantages in administering part-time and summer employment through one office, together with the financial aid, scholarship, and admissions programs, appear to be that (1) the greatest pressure for proper utilization of job opportunities will come from the office most concerned with the influence of employment upon admissions decisions and the makeup of the student body, (2) communications among colleges are well established in the areas of scholarships and admissions, thus providing a ready medium for



the exchange of ideas, (3) under these conditions the employment officer has information on each student's needs, background, and interests and can develop solutions to individual problems, and (4) because the employment officer acts in conjunction with the scholarship office, each student knows that his performance on the job becomes a matter of record in both offices.

To obtain optimum results in the search for campus jobs, the employment officer needs the wholehearted support of university officials from the president to the hiring supervisor.

In the early 1950's, when John U. Monro, then director of financial aid and now dean of Harvard College, began a search for campus jobs, he was able to enlist the support not only of the president of the university and of several deans, but also the active assistance of the director of personnel. Their efforts developed into a crusade as they sought areas in which large numbers of jobs might be available—in the face of the prevailing attitude of supervisors that students were poor workers.

Gradually this attitude changed. Stemming from a philosophy that the university exists for the students, that all other Harvard people are secondary and must take advantage of every opportunity to assist students, support of student employment activities grew steadily stronger. Now, all union contracts permit hiring of students for any job. Student pay equals that of everyone else doing the same job. Department heads have been selected and evaluated in terms of their willingness to adjust work schedules to utilize student help.

The success of this approach is demonstrated by the fact that in 1961-62, two university operations—dining hall and dormitory crews—paid 883 students \$305,405.

Another important step occurred in 1952 when Mr. Monro sought 50 part-time jobs which could be promised to students entering Harvard College. The demand for this assistance led to the development of an assured job program which grew from 50 jobs paying an average of \$250 in 1952 to the 1962 level, which permitted the college's scholarship committee to promise more than 400 of the 1,150 incoming freshmen jobs yielding, on the average, \$400 for an average of 10 hours of work per week during the academic year.

#### STUDENT EMPLOYMENT GROWS

Despite outright grants of \$1,500,000 and gift loans (loans that can be interest free for as long as 10 years) of \$600,000, some 1,628 of the 4,700 undergraduates at Harvard College in 1961-62 found it necessary to work part time during the academic year. Their average earnings were \$420. In the same year, 2,500 students sought help in finding summer work through the student employment office. Only 2 years before, fewer than 1,200 students had used the facilities of the office for summer jobs.

Such experience, plus the freedom to explore new areas, explain two significant developments at Harvard. One is a program of courses sponsored by the student employment office to teach students skills which yield high hourly rates of pay. The other is the existence of Harvard Student Agencies, Inc., established in 1957 to train students in entrepreneurial skills and to afford opportunities for higher earnings.

Harvard Student Agencies (HSA), a non-profit corporation, provides the capital and organizational facilities to enable students to operate small businesses and earn money with which to meet their college expenses.

The corporation was established after a study of similar programs at Yale and Princeton Universities. HSA is unlike other programs, however, in that it is legally separate from the university and operates on a year-round basis. Although still in its infancy, the corporation yielded \$100,000 in earnings to students in 1962. Twenty-two of its part-time managers and workers earned an average of more than \$1,000 each.

In a sense, HSA trains managers of small businesses. The 33 constituent agencies of HSA are manned by nearly 70 student managers whose pay ranges from \$400 to \$2,500 for work ranging from 3 to 5 weeks part time in the fall (newspaper and magazine subscription continues the year around. The businesses range from the normal sales operation in the fall (newspaper and magazine subscriptions, beer mugs, and class rings), to publications like the "Harvard Student Calendar" and the "Let's Go—Student Guide to Europe," and finally to housepainting.

#### JOB SKILLS ESSENTIAL

A review of the U.S. Department of Labor unemployment predictions for the 1960's indicates the need for helping students develop skills which remove them from the ranks of unskilled labor. Estimates are that widespread unemployment will prevail for unskilled labor. Paradoxically, indications are that there will be a shortage of labor in many skilled trades. The unskilled student who seeks part-time or summer employment will meet severe competition, but if he offers skilled assistance, he will be in demand.

Clearly, then, students should be encouraged to utilize their learning abilities in the acquisition of marketable skills and they should be helped to discover the remunerative potential of skills they may already possess. The organization and support for the development of student talents has been encouraged at Harvard College through the sponsorship of convenient, low-cost courses offered by the summer employment program. Typical of the courses available have been ones in bartending, computer programming, teacher-machine programming, marine engine troubleshooting, short-order cooking, waiting on tables, sailing-program management, swimming pool management, office machines and procedures, electric typing, and recreation program management. More than 300 students a year now participate in these courses, some of them as instructors.

Often a course leads to the development of a small business, as was the case when a number of students who had been trained to tend bar for private parties saw the need for additional services and encouraged the establishment of a catering agency in HSA. Prior to their training to become bartenders, these students earned \$1.25 to \$1.50 an hour. After training, they earned from \$1.75 to \$2.50 an hour.

Through such means as these, we hope to educate ourselves and our students so well in the process of developing high-paying skills that, as college expenses continue to rise, our students will be able to earn from \$2,000 to \$3,000 a year within the decade ahead.

#### DOES WORKING AFFECT GRADES?

There is substantial evidence to demonstrate that time devoted to earning money need not detract from a student's academic or extracurricular life if intelligent advice and planning are provided. The following table, for example, compares the grades of working Harvard students and the undergraduate at large.

[In percent]

| 1961-62 academic performance <sup>1</sup> | Sample of 3,679 undergraduates <sup>2</sup> | Sample of 1,171 working students |
|-------------------------------------------|---------------------------------------------|----------------------------------|
| Group I.....                              | 2.6                                         | 2.2                              |
| Group II.....                             | 15.6                                        | 14.6                             |
| Group III.....                            | 26.5                                        | 26.9                             |
| Group IV.....                             | 24.7                                        | 27.5                             |
| Subtotal.....                             | 69.4                                        | 71.2                             |
| Group V.....                              | 14.6                                        | 16.5                             |
| Group VI.....                             | .8                                          | .8                               |
| Insufficient.....                         | 1.0                                         | .7                               |
| Unsatisfactory.....                       | 9.1                                         | 10.8                             |

<sup>1</sup> Group I denotes academic achievement of 3½ A's, ½ B; group II: 1½ A's, 2½ B's; group III: 3½ B's, ½ C; group IV: 1½ B's, 2½ C's, group V: 3½ C's, ½ D; group VI: 3 C's, 1 D; unsatisfactory: less than 3 C's and 1 D.

<sup>2</sup> Does not include degree candidates in senior class. Figures do not include 5.1 percent student withdrawals.

The college work-study program will have many advantages. It will encourage able and needy high school graduates to continue their education. It will assist colleges and universities in broadening and expanding their on-campus work programs. It will reduce the number of college dropouts. It will stimulate and promote the use of qualified college students in community action programs, the Job Corps and in other educational, recreational, social service, welfare, and health activities in the community. And it will provide worthwhile work experience for students in employment opportunities at the college or university or with public or non-profit private agencies in work which will further the student's educational objective.

The committee report and legislative history make it abundantly clear that the Director of the Office of Opportunity will set the broad policy guidelines to assure that the college work-study program will be coordinated with other anti-poverty programs under this act. But actual administration of the college work-study program will be by the colleges and universities of the Nation working with the U.S. Office of Education, which now administers the successful National Defense Education Act student loan program.

The committee has provided for a State distribution of the \$72.7 million available for this part on the basis of three factors. One-third of the funds will be allotted among the States on the basis of the relative number of students enrolled in college on a full-time basis in the several States. This is one of the basis for the distribution of funds under the student-loan program of the National Defense Education Act. Second, one-third of such funds will be allotted among the States on the basis of the relative number of high school graduates in the several States. This is a factor used in the distribution of funds under the Higher Education Facilities Act of 1963. And, lastly, one-third of the funds will be allotted on the basis of the relative number of children under 18



years of age who are living in families with annual incomes of less than \$3,000 in the several States. This latter factor was included by the committee in order to insure that the funds were made available in those areas where there is greatest need. To further insure that the Federal funds will be available to those institutions which can and want to use the funds, the committee has very wisely provided the Director with discretion in the reallocation of funds which have not been used by the universities.

The manner of the reallocation will be that which will best achieve the goal of the act; namely, to help college students who do not go to college because they cannot afford it.

The use of a three-factor formula for the distribution of funds will permit an equitable distribution of funds across the United States. The inclusion of a factor related to poverty and the provisions for reallocation and initial distribution of funds within a State will insure a concentration of work-study programs in those colleges and universities which serve poverty areas and enroll large numbers of students from low-income families, whether or not these families or the institutions are located in a poverty area.

To be eligible to participate in a work-study program, a student must either be enrolled or accepted for enrollment in an institution of higher education. He must be from a low-income family—a family whose total income and assets are such that it cannot contribute support to the educational expenses of the student. The legislation further requires that the student be in need of the earnings in order to pursue a course of study at the college or university. Again, the Committee believes that the legislative intent is clear: students under this program will be those for whom a National Defense Education Act loan is insufficient to meet the costs of a college education today.

Each student participating in a work-study program carried on under this act must, in the opinion of the college—not of the Federal Government—be capable of maintaining good grades while employed under the program. To insure that students are not overburdened, the legislation specifically prohibits a student from working more than 15 hours in any week in which classes in which the student is enrolled are in session. Studies of the academic achievements of working students show that the grades of students who work part time are as good or better than the grades of nonworking students. In 1940 a survey of 65,000 students working in the first major student-work program, a program carried on under the National Youth Administration, showed: first, NYA students averaged higher grades than the general student body in 81 percent of the institutions; and second, almost two-thirds of the working students ranked in the upper half of the student body, and that in each of the States, a majority of the NYA students had higher scholastic averages than the

general student body. Recent studies of the working student at the University of Denver, the University of Southern Illinois, and at Harvard University demonstrate that time devoted to work need not detract from a student's academic or extracurricular life. I will be glad to make these findings available to any colleague who has an interest in them.

Each college and university will be encouraged to develop two types of student employment: on-campus employment and off-campus work with public and nonprofit organizations. On campus, overburdened teachers will be provided with students to read papers and correct examinations. Other students will work in the library, as research assistants in laboratories, for the university press, and in the college business and engineering offices.

Off-campus employment with a public or nonprofit organization may include a variety of different types of employment. Under the provisions of the bill, work offcampus must be work which is either related to the student's educational objective or work which is in the public interest and would not otherwise be provided. Work related to the student's educational objective means employment which is an extension of some substantial part of the student's academic progress or work which is clearly connected with the student's long-range vocational goal. Engineering students might work with the State or County Department of Roads, potential social workers could work with welfare agencies, possibly in aid of the community action programs under title II, and potential nurses and premedical students could obtain worthwhile experience and render valuable service in hospitals, nursing homes, and clinics. The bill further permits employment in fields such as education, recreation, health, social services, and community service. Regardless of their course of study, students could work as youth advisors, junior counselors, and recreational leaders. In such instances the college financial needs of the student will be satisfied; the student will gain invaluable work experience, and the total community will benefit from the services performed.

In testimony before our committee, representatives of the educational community have expressed concern that a potentially serious drain on college resources may soon be the administrative costs incident to federally supported education programs. In recognition of this concern, and in order to compensate colleges for the costs of developing off-campus employment, the committee has specifically provided that a small portion of funds made available under this program may be used to meet administrative expenses and supervisory overhead expenses. The amount so used may not exceed an amount equal to 5 percent of the Federal funds earmarked for off-campus employment.

Institutions which may participate in this program include those colleges and universities providing education pro-

grams leading to a bachelor's degree, community and junior colleges with 2-year programs acceptable for full credit toward such a degree, and technical institutes offering 2-year programs in engineering, mathematics, and the physical and biological sciences designed to prepare students for work at the semiprofessional or technician level in the fields of engineering, science, and technology. Thus, we will aid students in virtually all post-secondary education, as we did last year in the Higher Education Facilities Act of 1963—Public Law 88-204.

Francis Keppel, the distinguished U.S. Commissioner of Education, in testimony before the Special Subcommittee on Education, summarized what it means to the Nation when able students do not continue on to colleges. He said:

For every American youngster with college capabilities who is denied the opportunity of starting or completing a college education, we do not merely limit the individual opportunities which come with greater education—we also retard this Nation's scientific advance, we slow its economic growth, and we deplete its reservoir of future leadership.

It is clear that no greater investment can be made in our struggle against poverty than an investment in the education of our youth. An investment in human resources is proven to be an investment which returns both intangible and tangible benefits to the individual and to the community. In addition to the services performed for the community by the college graduate, it is interesting to note that the resulting benefits to the community can be measured in monetary terms. The average lifetime earnings of a college graduate are \$453,000. A person with only a high school diploma can be expected to earn approximately \$273,000 during his lifetime—\$180,000 less than a college graduate. Thus, it can be demonstrated, that the average lifetime income tax pay by a college graduate is approximately \$68,000, or \$38,000 more than paid by a person with only a high school diploma.

The program proposed in title I-C will benefit the Nation, the community and, more important, the needy and talented student to whom the Congress of the United States has already promised an opportunity for a complete education. We must keep that promise.

Finally, I would like to read into the RECORD two communications I have just received from the American Council on Education, representing the full spectrum of American higher education, and from the Association of State Universities and Land-Grant Colleges, in support of this vital legislation.

WASHINGTON, D.C., August 6, 1964.  
Representative JOHN BRADEMANS,  
House Office Building,  
Washington, D.C.:

The American Council on Education has consistently supported legislation to provide work-study opportunities for needy college students. The council strongly endorses the work-study proposal now being considered in H.R. 11377.

LOGAN WILSON,  
President.



WASHINGTON, D.C., August 6, 1964.

The Honorable JOHN BRADEMAs,  
Representative from Indiana,  
House Office Building,  
Washington, D.C.:

The Association of State Universities and Land-Grant Colleges has long advocated an experimental work-study program which would expand employment opportunities for worthy colleges students. Representatives of the association have on several occasions testified in support of such a program before committees of the House and Senate. The association's position is that such a program should be administered by and through educational channels.

RUSSELL I. THACKREY,  
Executive Secretary, Association of State  
Universities and Land-Grant Colleges.

Mr. BEERMANN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 207]

|                |               |                |
|----------------|---------------|----------------|
| Alger          | Dingell       | MacGregor      |
| Auchincloss    | Everett       | Miller, N.Y.   |
| Avery          | Evins         | Morrison       |
| Baker          | Green, Oreg.  | Nelsen         |
| Baring         | Harvey, Mich. | Norblad        |
| Bass           | Hébert        | Passman        |
| Bennett, Mich. | Jarman        | Pool           |
| Bolling        | Jones, Mo.    | Sheppard       |
| Brock          | Kee           | Sikes          |
| Buckley        | Kilburn       | Siler          |
| Cameron        | Kirwan        | Staebler       |
| Chelf          | Lankford      | Steed          |
| Clark          | Lennon        | Teague, Calif. |
| Davis, Tenn.   | Lesinski      | Willis         |
| Diggs          | Lipscomb      | Wilson, Ind.   |

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 11377, and finding itself without a quorum, he had directed the roll to be called, when 385 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. GOODELL. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, it is never quite possible to anticipate what will happen when a multimillionaire President goes out shopping for poverty.

On May 8, 1964, President Lyndon Johnson flew by courtesy of the Air Force and the taxpayers to Gainesville, Ga. His was apparently a dual mission: an attempt to repair his broken political fences and to find a pocket of poverty. Like the chicken and the egg, it is difficult to say which came first.

Among other things, on this ostensible mission of seeking out poverty, he called for enactment of his civil rights bill, and called on the people of Gainesville to erect a monument to the gentleman from Georgia [Mr. LANDRUM]. Whether this was in token of Georgia's position in con-

nection with enactment of civil rights legislation is not quite clear.

What is clear is the Atlanta Constitution's reporting on May 9, 1964, of one of the pockets of poverty discovered by Lyndon Johnson in Gainesville.

Under the heading: "Aged Negro Tells of His Dreams," the fawning Atlanta Constitution dutifully reports as follows:

President Lyndon B. Johnson Friday stood before a decaying shack in a slum neighborhood and listened intently to an elderly Negro's dream of some day building a new store here (in Gainesville).

The "aged" principal of this little poverty drama in Georgia was one 62-year-old Alvertus J. Butler, who has operated the same store in the same place since 1938. He said that secret service agents had been out to see him four times in preparation for the President's poverty visit.

Despite the elaborate stage setting, the newspaper account says the President's first question to Butler was: "Is this your store?"

"Yes, sir," said Butler. "I hope I can build a new one if it—the urban renewal program—passes. But I don't want to have to move from here if I can help it."

Almost immediately, according to the news accounts, Johnson emerged from the store, outmaneuvered his guards and walked into the crowd for a round of handshaking. Politics, not poverty, was again the order of the day.

Four days ago, on August 2, a reporter for Atlanta, Ga.'s, new newspaper, the Atlanta Times, interviewed Alvertus Butler and got the story that Atlanta's new frontier sheet deliberately overlooked.

Alvertus Butler, the Georgia Negro selected to talk to Lyndon Johnson on May 8 on the subject of poverty, does not consider himself in the needy category at all.

As was brought out in the Atlanta Times story on August 2, this Negro operates a successful janitorial service and store. He has provided his children with college educations. He likes to take long vacation trips every other year, and has traveled in Canada and Mexico and every other State on the mainland except Florida.

Incidentally, he drives a late model Lincoln Continental with air conditioning.

The Atlanta Times asked Butler how he feels about the so-called antipoverty program. Butler replied:

I do not believe in handouts or charity. Charity makes tramps, not men. A man can get anything he wants if he just works. I have.

It appears that when better cases are made for rejecting the Landrum-Powell so-called poverty bill, the State of Georgia and Lyndon Johnson will supply them.

Mr. PERKINS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DENT].

(Mr. DENT asked and was given permission to revise and extend his remarks.)

Mr. DENT. Mr. Chairman, a long time ago I found I did not have time

in my busy schedule to read editorials that generally criticized my party or my friends. I did not lose much in not doing that because sooner or later they cropped up in the RECORD. When a Republican had nothing else to do, he would read something that somebody else thought of for him in the form of an editorial.

Mr. Chairman, this legislation appears to be condemned more by what some people think about the approach to presenting the legislation than by what is contained in it. Very few opposition speakers have taken the time to discuss the need or the lack of need for this kind of legislation. This bill before us for the first time in the history of this Nation, or any other civilized nation, is aimed at the eventual elimination of the oldest curse amongst men—poverty. No nation, no matter how wealthy it may be, can justify a claim to greatness while in its midst it has millions of people, young and old, living in the midst of abject poverty. Some two-fifths of the citizens of this Nation of ours live in conditions below the normal standards considered to be a minimum way of life in our Nation.

As in most cases of governmental aid and subsidy, this legislation started out on the premise that its funds would be distributed, on the basis of the old formula of need, counting, of course, the average income in a State.

This committee has wisely worked out a new formula which will give to the once prosperous States an even and equitable distribution of the funds in this particular piece of legislation. Because of the high wage and high income economic conditions in many of the so-called wealthy States of yesterday, we find that in most of the appropriating bills that come out of Congress the northeastern States of this Nation have suffered because of a depreciation in the amount of taxes paid to the Treasury and the amount returned to that State. If you will look up the record you will find that the very States that at one time were known as prosperous States of this Nation have now become what we call permanently depressed States of the Union.

I find in my long years of living on this earth—I say "long" because it will not be a great many years when I will have reached the Biblical allowance of three score years and ten—that poverty has no color. It has no religious creed and no ethnic background. All peoples have had poverty in their midst. To the everlasting credit of this period of our life and our history and to the courageous leadership of the President of the United States, Lyndon B. Johnson, we now are trying to do something about it.

We are not going to believe, as some would, that because there have always been the poor, necessarily there must always be the poor. I will not take the time of this Congress to paint for you a picture of poverty as I have seen it and as I have known it, living in a strike-bound coal camp in the days before the recognition of the rights of labor, in the cold winter when even the root cellar



was bare, when the leather from old mining boots began to look very tempting to the palate.

Poverty is an affliction. It is not like a common cold, that can be relieved by short treatment or a quick cure. Poverty is deep-rooted and degrading. It destroys the family. It destroys the initiative of the children and the hopes of the unborn.

This legislation will probably pass up a whole generation in its attempt to relieve poverty in the next generation, and that is as it should be. Those of us born and living as of this year, sitting in this House today, have an opportunity to meet this challenge. The quarrel here is not so much that the legislation is not needed or that there is no poverty. Has any opponent dared say there is not poverty in this Nation? Because we have a great prosperity amongst those of us who now have worldly goods, do we fail to recognize those in need? Does a preacher quit preaching the Gospel when the church is full, knowing that outside are the lost souls? There can be no end to the search for the alleviation of need and want among our people.

This Nation, so great in the eyes of all the people, has in its midst abject and degrading poverty to the tune that if measured by the Members of this body would lead to a stampede to the rostrum to speak in behalf of this legislation. But the ugly head of politics a few days before a national election has caused men of otherwise good will to become callous and cold in their regard today of a problem they know is one that must be met by the Members of the Congress of the United States.

There sit in this House, and I am as guilty as any, Members who vote for billions of dollars for relief in foreign nations. The same Members cannot smell the stench of the poverty and need within a block and a half of the Capitol they sit in. They sit here and watch the banking element of the United States increase the interest on the public debt 1.2 percent last year and take from the public pocket \$3,100 million, better than three times the total cost of this legislation, aimed at relieving the need of hundreds of thousands of our peoples.

My State, once known as the Keystone of the Nation, is now known as the Keystone of Appalachia, that area of need where 30.3 percent of all the families in the United States are earning less than \$3,000 a year. That is the area of these United States that succored the Southern States in their hour of need in those days when they had no industry and want stalked the barren cotton fields.

It is the area that gave to the West its great dams and its great restoration projects for their idle fields.

It is the area that has paid out its billions of dollars in subsidies to the cotton growers and the textile mills in order to keep this particular section of our Nation alive.

We come to you now and say that we no longer can sustain from 187,000 to 215,000 families perennially and annually on the relief rolls.

The 456,000 citizens in my State in this moment, this day of our Lord, are

living off relief at a cost of \$27 million a month.

Another 272,000 workers are drawing unemployment compensation.

We no longer can sustain this drain upon the future of our area and our State.

We need help and we need it now.

I say to you, Pennsylvania Members on the Republican side, that if you fail to recognize the needs of your State and vote because of the political turnover of the Governor of your State, a young man whom many, many liberal Republicans had the hope would turn out to be a little different—a man who has called upon, as I understand, the Republican Members, to reject this legislation and yet a man who knows that he has asked and he has begged this Congress to pass a bill known as Appalachia to give some \$800 million to that depressed area of our Nation. A great portion of this \$800 million will go to the State of Pennsylvania.

Can we be so callous in Pennsylvania as to demand for our needy people special legislation and to close the door upon the needs of others?

Are we as Representatives of that great State saying to this Congress, as did our Governor, "Yes, we want you to give us special legislation to rehabilitate our forests; to reclaim our devastated coal lands; to bring back to our people and to our institutions hope for tomorrow"—but only for Pennsylvania and not for the rest of the country?

How callous can you be? I say to you, I will not ask the Members of this Congress to vote for Appalachia if the Members of the Pennsylvania delegation do not support the needy in other States of the Union.

I say to you that this bill is fair. Pennsylvania needs it. If we get from you the aid that we need and want, then we owe it to you to give you the aid your needs demand.

Mr. Chairman, the legislation before us is a challenge to every Member of this Congress.

The issues are clear cut. It is a division by this body as to where the resources and revenues of this Nation are to be used in our effort to rebuild our depreciating personal economy.

The question of the cost of this program appears to be the whipping boy in the efforts of the opportunists to defeat the measure.

Now all of us must realize that this is the red herring in the whole issue.

When you stop to think about other items of cost voted for or approved by the silence of the Members, the cost of this program, less than \$1 billion, might be considered modest by comparison.

My worthy colleagues of the opposition stampeded the rollcall in their efforts to pass a poverty bill subsidizing the textile mill owners the sum of \$370 million to be divided up by the mill owners after they had already cut up their 1963 profit pie of \$162 million.

Now you may not see the need for the families earning under \$3,000 a year for the kind of help provided by this present proposal you certainly must admit that the criteria for passing out \$370 million

to a handful of textile mill owners was less compelling than the need and wants of the thousands of families who can be rehabilitated under this program.

Again let us look at our generosity over the years in the area of aid to our foreign friends, allies, and yes, even our former enemies. We gave billions of dollars in an effort to eradicate the physical damages, the industrial destruction, and the rehabilitation of the victims of the catastrophe of worldwide war.

In this program we ask for only the same consideration for our longtime poverty stricken peoples and communities. Is this too much to ask for. I think not.

Another area of cost that we never hear anything about from the detractors and destroyers of any and all legislation aimed at alleviating the conditions of want and need from that great mass of our peoples estimated at 40 percent of our total family population.

I refer to the following legislative analysis of the Federal Reserve Board and interest rates:

EXCERPT FROM A STATEMENT BY WILLIAM SUMNERS JOHNSON, ECONOMIC CONSULTANT AND DIRECTOR OF THE JOINT ECONOMIC COMMISSION

On the other hand, the Federal Reserve has very drastically shortened the money supply, relative to the volume of goods and services requiring money transactions. It has been reducing the money supply consistently since the end of World War II. To illustrate, in 1947, the money supply (demand deposits and currency) was equal to approximately one-half (48 percent) of the gross national product of that year. Last year, 1963, the money supply was down to approximately one-fourth (26 percent), of the gross national product.

How does all this pick the consumer's pocketbook?

Consider this: a 1 percentage point increase in the interest rate on an FHA or farm home mortgage of 30 years meant that the family buying a home has to make monthly payments that are 10 percent higher than the payments of the family who bought before the rate went up. In 30 years this farmer will have to pay.

Also consider this: between 1952 and March of 1964, the average interest rate paid on the Federal debt increased by only 1.208 percent, which doesn't seem like much. But this increase means that on a debt of \$310 billion, the taxpayers are paying an added \$3 billion, \$100 million annually—to say nothing of the added amounts they are paying on the State and local debts. When so many people think that less than \$1 billion is too much for the Federal Government to spend for a war on poverty, what do they say of paying an extra \$3.1 billion a year to make the rich richer just on the Federal debt alone.

The Treasury has announced a new refunding of \$41.7 billion of the national debt which it has offered to swap for new issues at higher interest rates. This move will easily cost the public tens of millions of dollars a year in additional interest charges. This I believe is a betrayal of the American people since interest rates are already too high. The amount of interest on this sum which is only about 14 percent of the national debt is \$1,790 million; almost double the cost of the poverty program.

THE GREATEST MONSTER OF ALL

Interest rates and control of the entire monetary system set by the Federal Reserve Board determines the economic life of every



city, town, and hamlet in the United States. The Federal Reserve Board through its monetary controls has pushed the country into every depression and recession of the last 50 years. It caused the agricultural depression of 1920 by raising the discount rate to 7 percent which simply meant that the country banks had to pay 7 percent on all their funds received from the central system. As a result they were forced to call all the paper held by the farmers.

The Federal Reserve Board caused the recessions of 1954, 1958, and 1960 by decreasing the money supply by selling Government bonds and raising the discount rate. During the years of the Eisenhower administration the Secretary of the Treasury cooperated with Federal Reserve policy by driving up interest rates on Government bonds to more than 4 percent.

During these 8 years interest rates spiraled. Farmers paid not 4 or 5, but 8, 9, or even 10 percent. All Government agencies had to raise their interest rates to be competitive in the money and bond markets. Finally, the Treasury offered to pay 5 percent on an intermediate bond which meant that other interest rates had to be much higher.

Competition or natural economic forces had little to do with interest rates, credit, money supply. All are determined by the Wall Street bankers who sit on the Open Market Committee of the Federal Reserve Board. This group constitutes a fourth branch of Government, responsible to no one, not even the President.

When Walter Heller, Chairman of the President's Council of Economic Advisors was asked by Congressman Reuss, of Wisconsin, to try and find out if the Federal Reserve Board was going to raise interest rates again (thus canceling out the effects of tax reduction) Heller said he couldn't find out—that

Congress might since the Board was supposed to be responsible to Congress.

Then, Congressman Reuss said Congress couldn't find out either—that the only time he received any information about what the Board was going to do was when he read it in the papers.

William McChesney Martin has hinted to a congressional committee that he may act to check inflation. In other words, Congress acts to lower taxes and pump more money into the blood stream of business and Martin plans to take this money out of the blood stream by tightening up credit and contracting the money supply.

This is where we came in. The Federal Reserve Board is still playing the old shell and pea game as it did in 1920, 1930, 1954, 1956, and 1960, only the date is changed. Martin and the big bankers are obsessed with the idea that the economy can be controlled by monetary tinkering. They have no business messing with the economy. Their ideas are as obsolete as a dodo or a kerosene lamp on an electrified farm.

Until something is done to restrict, amend, or do away with the power of the bankers it is doubtful if the country can ever get back on a full employment basis. It is doubtful if the farmers can ever secure a rightful share of the national income and it is doubtful if the pockets of poverty in our economic system can ever be eliminated. The only authority for regulation of the monetary system is in the Full Employment Act of 1946, and the Constitution of the United States which says that money matters are the responsibility of the Congress.

#### THE 12 MEN WHO DECIDE

The 12 men who decide how credit and money shall be influenced are relatively unknown to the public. But these 12 men—the Federal Reserve's Board of Governors and

members of the Federal Open Market Committee—wield great power over the economy.

Seven are appointed by the President of the United States as members of the Board of Governors of the Federal Reserve. The other 5 are selected from the Presidents of the 12 regional Federal Reserve Banks to serve with the Board of Governors as the 12-man Federal Open Market Committee. Their power pervades every part of American economic life.

Mortgage rates, length of credit terms, the interest on auto payments, the cost of borrowing money—these are everyday effects of Board decisions. Federal Reserve actions also affect business and Government credit terms and supplies of credit. In turn, these influence the momentum of the whole economy. Both production and employment feel the impact of monetary decisions. As the Federal Reserve Board's official publication, The Federal Reserve System, explains: "The Federal Reserve, through its influence on credit and money, affects indirectly every phase of American enterprise and every person in the United States."

Let me give you some compelling figures and facts on the impact of poverty without taking the time of the Congress to paint a picture of the hopelessness of a family destined by local economics to a life on the relief rolls or the despair and degradation that first follows the unemployed and finally becomes a way of life for so many of our citizens who deserve a better fate.

Poverty in some of the areas of our Nation is more than a passing ailment—it is an affliction. Let us look at what has happened to many of the States of our Union.

*Distribution of employment in the industry groups<sup>1</sup> with special capability for providing employment for the Nation's poverty-stricken unemployed, in relation to the distribution of the poverty-stricken families in the United States*

|                          | In the United States   |                                                   | In the State           |                                                   | Ratio of total families in State to total in United States | Ratio of total families with incomes under \$3,000 in State to U.S. total | Estimate of employment <sup>2</sup> in the— |                   |                  |               | Ratio of employment in the 48 Industries in the State to— |                                            | Manufacturing employment in 1962 | Unemployment rate in 1962 |
|--------------------------|------------------------|---------------------------------------------------|------------------------|---------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------|-------------------|------------------|---------------|-----------------------------------------------------------|--------------------------------------------|----------------------------------|---------------------------|
|                          | Total families in 1960 | Total families with incomes under \$3,000 in 1959 | Total families in 1960 | Total families with incomes under \$3,000 in 1959 |                                                            |                                                                           | 22-industry group                           | 23-industry group | 3-industry group | 48 industries | Total manufacturing employment in the State               | Total U.S. employment in the 48 industries |                                  |                           |
|                          | Thous.                 | Thous.                                            | Thous.                 | Thous.                                            | Percent 100.00                                             | Percent 100.00                                                            |                                             |                   |                  |               | Percent 100.00                                            | Percent 100.00                             |                                  | Percent                   |
| Total United States..... | 45,128                 | 9,560                                             |                        |                                                   |                                                            |                                                                           | 574,663                                     | 676,253           | 266,469          | 1,517,385     |                                                           |                                            | 16,777,734                       | 5.6                       |
| Total of regions.....    | 44,378                 | 9,484                                             |                        |                                                   | 98.32                                                      | 97.85                                                                     | 470,933                                     | 546,015           | 243,941          | 1,260,889     | <sup>3</sup> 7.72                                         | 83.10                                      | 16,336,230                       | 5.2                       |
| Appalachia:              |                        |                                                   |                        |                                                   |                                                            |                                                                           |                                             |                   |                  |               |                                                           |                                            |                                  |                           |
| Alabama.....             |                        |                                                   | 791                    | 309                                               | 1.75                                                       | 3.23                                                                      | 1,700                                       | 8,879             | 508              | 11,087        | 4.81                                                      | .73                                        | 230,388                          | 5.8                       |
| Georgia.....             |                        |                                                   | 949                    | 338                                               | 2.10                                                       | 3.54                                                                      | 5,105                                       | 2,599             | 3,871            | 11,575        | 3.45                                                      | .76                                        | 335,828                          | 4.7                       |
| Kentucky.....            |                        |                                                   | 753                    | 286                                               | 1.67                                                       | 2.99                                                                      | 2,079                                       | 3,941             | 2,229            | 8,149         | 4.89                                                      | .54                                        | 166,701                          | 6.0                       |
| Maryland.....            |                        |                                                   | 763                    | 116                                               | 1.69                                                       | 1.21                                                                      | 3,278                                       | 2,345             | 1,376            | 6,999         | 2.78                                                      | .46                                        | 251,503                          | 5.3                       |
| North Carolina.....      |                        |                                                   | 1,092                  | 406                                               | 2.42                                                       | 4.25                                                                      | 3,859                                       | 6,807             | 6,074            | 16,740        | 3.32                                                      | 1.10                                       | 503,646                          | 4.3                       |
| Ohio.....                |                        |                                                   | 2,465                  | 386                                               | 5.46                                                       | 4.04                                                                      | 21,979                                      | 67,011            | 8,090            | 97,080        | 8.11                                                      | 6.40                                       | 1,196,338                        | 5.5                       |
| Pennsylvania.....        |                        |                                                   | 2,903                  | 488                                               | 6.43                                                       | 5.10                                                                      | 39,768                                      | 43,593            | 33,439           | 116,800       | 8.36                                                      | 7.70                                       | 1,396,781                        | 7.9                       |
| Tennessee.....           |                        |                                                   | 894                    | 342                                               | 1.98                                                       | 3.58                                                                      | 5,395                                       | 8,446             | 10,026           | 23,867        | 7.60                                                      | 1.57                                       | 313,816                          | 5.9                       |
| Virginia.....            |                        |                                                   | 955                    | 266                                               | 2.12                                                       | 2.78                                                                      | 2,017                                       | 883               | 3,227            | 6,127         | 2.21                                                      | .40                                        | 277,295                          | 3.5                       |
| West Virginia.....       |                        |                                                   | 462                    | 151                                               | 1.02                                                       | 1.58                                                                      | 7,151                                       | 1,337             | 250              | 8,738         | 7.46                                                      | .56                                        | 117,175                          | 10.8                      |
| Total.....               |                        |                                                   | 12,027                 | 3,088                                             | 26.64                                                      | 32.30                                                                     | 92,331                                      | 145,741           | 69,090           | 307,162       | <sup>4</sup> 6.41                                         | 20.24                                      | 4,789,471                        |                           |
| South:                   |                        |                                                   |                        |                                                   |                                                            |                                                                           |                                             |                   |                  |               |                                                           |                                            |                                  |                           |
| Arkansas.....            |                        |                                                   | 452                    | 216                                               | 1.00                                                       | 2.26                                                                      | 1,838                                       | 3,385             | 3,950            | 9,173         | 9.02                                                      | .60                                        | 101,747                          | 5.9                       |
| Florida.....             |                        |                                                   | 1,297                  | 368                                               | 2.87                                                       | 3.85                                                                      | 2,478                                       | 3,726             | 966              | 7,170         | 3.35                                                      | .47                                        | 214,149                          | 5.7                       |
| Louisiana.....           |                        |                                                   | 771                    | 275                                               | 1.71                                                       | 2.88                                                                      | 368                                         | 1,848             |                  | 2,216         | 1.74                                                      | .15                                        | 127,711                          | 6.3                       |
| Mississippi.....         |                        |                                                   | 501                    | 259                                               | 1.11                                                       | 2.71                                                                      | 3,958                                       | 1,926             | 1,818            | 7,702         | 6.64                                                      | .51                                        | 115,915                          | 5.1                       |
| Oklahoma.....            |                        |                                                   | 613                    | 190                                               | 1.36                                                       | 1.99                                                                      | 602                                         | 1,073             |                  | 1,675         | 1.86                                                      | .11                                        | 89,824                           | 4.7                       |
| South Carolina.....      |                        |                                                   | 541                    | 214                                               | 1.20                                                       | 2.24                                                                      | 1,189                                       | 1,252             | 4,041            | 6,482         | 2.71                                                      | .43                                        | 239,395                          | 4.3                       |
| Texas.....               |                        |                                                   | 2,393                  | 688                                               | 5.30                                                       | 7.20                                                                      | 2,782                                       | 15,536            | 1,645            | 19,963        | 4.00                                                      | 1.32                                       | 499,002                          | 4.8                       |
| Total.....               |                        |                                                   | 6,568                  | 2,210                                             | 14.55                                                      | 23.13                                                                     | 13,215                                      | 28,746            | 12,420           | 54,381        | <sup>4</sup> 3.92                                         | 3.58                                       | 1,387,743                        |                           |

Footnotes at end of table.



Distribution of employment in the industry groups<sup>1</sup> with special capability for providing employment for the Nation's poverty-stricken unemployed, in relation to the distribution of the poverty-stricken families in the United States—Continued

|                            | In the United States   |                                                   | In the State           |                                                   | Ratio of total families in State to total in United States | Ratio of total families with incomes under \$3,000 in State to U.S. total | Estimate of employment <sup>2</sup> in the— |                   |                  |               | Ratio of employment in the 48 Industries in the State to— |                                            | Manufacturing employment in 1962 | Unemployment rate in 1962 |
|----------------------------|------------------------|---------------------------------------------------|------------------------|---------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------|-------------------|------------------|---------------|-----------------------------------------------------------|--------------------------------------------|----------------------------------|---------------------------|
|                            | Total families in 1960 | Total families with incomes under \$3,000 in 1959 | Total families in 1960 | Total families with incomes under \$3,000 in 1959 |                                                            |                                                                           | 22-industry group                           | 23-industry group | 3-industry group | 48 industries | Total manufacturing employment in the State               | Total U.S. employment in the 48 industries |                                  |                           |
|                            | Thous.                 | Thous.                                            | Thous.                 | Thous.                                            | Percent                                                    | Percent                                                                   |                                             |                   |                  |               | Percent                                                   | Percent                                    |                                  | Percent                   |
| Total of regions—Continued |                        |                                                   |                        |                                                   |                                                            |                                                                           |                                             |                   |                  |               |                                                           |                                            |                                  |                           |
| Northeast:                 |                        |                                                   |                        |                                                   |                                                            |                                                                           |                                             |                   |                  |               |                                                           |                                            |                                  |                           |
| Connecticut                |                        |                                                   | 654                    | 64                                                | 1.45                                                       | .67                                                                       | 27,541                                      | 24,836            | 1,098            | 53,475        | 12.94                                                     | 3.52                                       | 413,404                          | 5.0                       |
| Delaware                   |                        |                                                   | 112                    | 18                                                | .25                                                        | .19                                                                       | 562                                         |                   |                  | 562           | 1.21                                                      | .04                                        | 46,573                           | 4.5                       |
| Maine                      |                        |                                                   | 240                    | 55                                                | .53                                                        | .58                                                                       | 5,210                                       | 514               | 14,610           | 20,334        | 20.16                                                     | 1.34                                       | 100,886                          | 5.7                       |
| Massachusetts              |                        |                                                   | 1,292                  | 160                                               | 2.86                                                       | 1.67                                                                      | 23,520                                      | 25,998            | 48,952           | 98,470        | 14.04                                                     | 6.49                                       | 701,389                          | 5.5                       |
| New Hampshire              |                        |                                                   | 153                    | 23                                                | .34                                                        | .24                                                                       | 1,510                                       | 1,684             | 15,283           | 18,477        | 21.07                                                     | 1.22                                       | 87,694                           | 3.5                       |
| New Jersey                 |                        |                                                   | 1,581                  | 180                                               | 3.50                                                       | 1.88                                                                      | 44,430                                      | 31,376            | 3,617            | 79,423        | 9.99                                                      | 5.23                                       | 794,826                          | 6.3                       |
| New York                   |                        |                                                   | 4,336                  | 600                                               | 9.61                                                       | 6.28                                                                      | 120,587                                     | 64,117            | 23,703           | 208,407       | 11.21                                                     | 13.73                                      | 1,859,214                        | 5.4                       |
| Rhode Island               |                        |                                                   | 220                    | 37                                                | .49                                                        | .39                                                                       | 9,508                                       | 866               | 2,373            | 12,747        | 10.77                                                     | .84                                        | 118,321                          | 7.0                       |
| Vermont                    |                        |                                                   | 94                     | 22                                                | .21                                                        | .23                                                                       | 1,626                                       | 509               | 165              | 2,300         | 7.03                                                      | .15                                        | 32,711                           | 7.0                       |
| Total                      |                        |                                                   | 8,682                  | 1,159                                             | 19.24                                                      | 12.13                                                                     | 234,494                                     | 149,900           | 109,801          | 494,195       | 4 11.89                                                   | 32.57                                      | 4,155,018                        |                           |
| North Central:             |                        |                                                   |                        |                                                   |                                                            |                                                                           |                                             |                   |                  |               |                                                           |                                            |                                  |                           |
| Illinois                   |                        |                                                   | 2,592                  | 389                                               | 5.74                                                       | 4.07                                                                      | 42,139                                      | 44,514            | 12,614           | 99,267        | 8.44                                                      | 6.54                                       | 1,175,411                        | 4.7                       |
| Indiana                    |                        |                                                   | 1,198                  | 215                                               | 2.65                                                       | 2.25                                                                      | 20,874                                      | 24,039            | 2,120            | 47,033        | 8.20                                                      | 3.10                                       | 573,546                          | 4.9                       |
| Iowa                       |                        |                                                   | 712                    | 180                                               | 1.58                                                       | 1.88                                                                      | 465                                         | 6,822             | 100              | 7,387         | 4.50                                                      | .49                                        | 164,274                          | 3.1                       |
| Kansas                     |                        |                                                   | 569                    | 127                                               | 1.26                                                       | 1.33                                                                      | 168                                         | 1,413             |                  | 1,581         | 1.41                                                      | .10                                        | 112,078                          | 3.7                       |
| Michigan                   |                        |                                                   | 1,944                  | 305                                               | 4.31                                                       | 3.19                                                                      | 10,472                                      | 52,639            | 1,917            | 65,028        | 7.05                                                      | 4.28                                       | 922,029                          | 6.7                       |
| Minnesota                  |                        |                                                   | 837                    | 179                                               | 1.85                                                       | 1.87                                                                      | 2,768                                       | 7,087             | 950              | 10,805        | 4.76                                                      | .71                                        | 227,159                          | 5.2                       |
| Missouri                   |                        |                                                   | 1,133                  | 305                                               | 2.51                                                       | 3.19                                                                      | 7,792                                       | 14,317            | 25,572           | 47,681        | 12.73                                                     | 3.14                                       | 374,560                          | 5.1                       |
| Nebraska                   |                        |                                                   | 366                    | 95                                                | .81                                                        | .99                                                                       | 1,591                                       | 544               |                  | 2,135         | 3.43                                                      | .14                                        | 62,163                           | 3.1                       |
| Wisconsin                  |                        |                                                   | 987                    | 172                                               | 2.19                                                       | 1.80                                                                      | 6,130                                       | 25,194            | 9,357            | 40,681        | 9.11                                                      | 2.68                                       | 446,711                          | 4.1                       |
| Total                      |                        |                                                   | 10,338                 | 1,967                                             | 22.90                                                      | 20.57                                                                     | 92,399                                      | 176,569           | 52,630           | 321,598       | 4 7.92                                                    | 21.19                                      | 4,057,931                        |                           |
| West:                      |                        |                                                   |                        |                                                   |                                                            |                                                                           |                                             |                   |                  |               |                                                           |                                            |                                  |                           |
| Arizona                    |                        |                                                   | 312                    | 66                                                | .69                                                        | .69                                                                       | 250                                         | 1,134             |                  | 1,384         | 2.55                                                      | .09                                        | 54,195                           | 5.1                       |
| California                 |                        |                                                   | 3,992                  | 563                                               | 8.84                                                       | 5.89                                                                      | 35,285                                      | 31,359            |                  | 66,644        | 5.04                                                      | 4.39                                       | 1,320,997                        | 5.9                       |
| Colorado                   |                        |                                                   | 439                    | 80                                                | .97                                                        | .84                                                                       | 247                                         | 2,715             |                  | 2,962         | 3.06                                                      | .20                                        | 96,828                           | 4.2                       |
| Idaho                      |                        |                                                   | 166                    | 35                                                | .38                                                        | .37                                                                       |                                             | 173               |                  | 173           | .58                                                       | .01                                        | 29,995                           | 5.5                       |
| Montana                    |                        |                                                   | 166                    | 33                                                | .38                                                        | .34                                                                       |                                             | 407               |                  | 407           | 2.01                                                      | .03                                        | 20,250                           | 5.1                       |
| Nevada                     |                        |                                                   | 72                     | 9                                                 | .16                                                        | .09                                                                       |                                             | 145               |                  | 145           | 2.13                                                      | .01                                        | 6,801                            | 5.1                       |
| New Mexico                 |                        |                                                   | 222                    | 54                                                | .49                                                        | .56                                                                       |                                             | 350               |                  | 350           | 2.38                                                      | .02                                        | 14,678                           | 4.7                       |
| Oregon                     |                        |                                                   | 460                    | 78                                                | 1.02                                                       | .82                                                                       | 1,524                                       | 3,319             |                  | 4,843         | 3.76                                                      | .32                                        | 128,721                          | 5.2                       |
| Utah                       |                        |                                                   | 209                    | 31                                                | .46                                                        | .32                                                                       | 100                                         | 548               |                  | 648           | 1.31                                                      | .04                                        | 49,597                           | 4.5                       |
| Washington                 |                        |                                                   | 725                    | 111                                               | 1.61                                                       | 1.16                                                                      | 1,088                                       | 4,909             |                  | 5,997         | 2.68                                                      | .40                                        | 224,005                          | 5.4                       |
| Total                      |                        |                                                   | 6,763                  | 1,060                                             | 14.99                                                      | 11.09                                                                     | 38,494                                      | 45,059            |                  | 83,553        | 4 4.29                                                    | 5.51                                       | 1,946,067                        |                           |

<sup>1</sup> That is, the 22-industry group, the 23-industry group, and the 3-industry group which are separately analyzed in the study, "The Impact of U.S. Foreign Economic Policy on the War on Poverty."

<sup>2</sup> This is the actual number of total employees in 1962 in the industry groups as reported by the Bureau of the Census.

<sup>3</sup> This ratio is the sum of the total estimates of employment in the 48 industries in all regions to the sum of the total manufacturing employment in 1962 in all regions.

<sup>4</sup> This ratio is the total estimate of employment in the 48 industries in each region to the total manufacturing employment in 1962 in the relevant region.

Source: U.S. Department of Commerce, Bureau of the Census, "County Business Patterns, First Quarter 1962"; U.S. Department of Labor, "Manpower Report of the President and a Report on Manpower Requirements, Resources, Utilization, and Training," March 1964; Committee on Education and Labor, House of Representatives 88th Cong., 2d sess., "Poverty in the United States," April 1964.

Pennsylvania had as late as April of this year 447,000 persons on public relief.

The cost of aid to this group amounts to between \$260 and \$320 million each and every year, and the end is not in sight.

In the month of April, which was the lowest month since 1963, the cost was \$23,183,000.

In the same month 187,642 families were forced to appeal to the relief board for the necessities of life.

I am not proud of the fact but the matter of family relief has become part of the way of life of many families whose hopes for betterment in the future depend upon the action of the House.

The relief load in Pennsylvania fluctuates very little. The year-in-and-year-out load has become static; the affliction is chronic.

There are many causes for our continuing deprivation in our area of this Nation.

Not the least of the influences that are destroying our hopes for a comeback is the continuing drive of the profiteering exploiting import-export group who for selfish or at least personal gains are pro-

moting the elimination of all safeguards for U.S. industry and the U.S. worker at the Customs Office.

No Nation can survive in a free-for-all competitive fight where no holds are barred between high-cost and low-cost production areas.

I believe the issue is clear cut. We cannot fully recoup our losses in Appalachia while the free-trade nonprotective proponents succeed in their uneconomic, unsound aims, and are left to freely promote their false doctrines of free trade to an unsuspecting public and the Congress of the United States.

In the search for an answer to our poverty in some areas we must consider all the angles.

The United States is exporting jobs to foreign countries at a faster rate than either industry or Federal subsidy programs can create new ones.

This is the inescapable conclusion of a well-documented study of the effects of this Nation's foreign trade policies on employment trends in this country.

The study also revealed:

First. President Johnson's appealing war on poverty is threatened with dis-

mal failure in its goal of creating new jobs for America's unskilled and poorly educated men and women who make up the mass of the Nation's poverty stricken.

Second. Our foreign economic policy not only contradicts the job goals of the war on poverty, but also is unresponsive to the realities of the employment needs of the Nation's impoverished, job-hungry group.

The Economic Opportunity Act of 1964, the administration's blueprint for waging war on unemployment and poverty, ignores the impact of foreign trade on joblessness.

This is an unfortunate and perhaps fatal weakness in the administration's battle plan.

The measure does recognize the need for improvement of social services to the poverty stricken. It does provide for job retraining and creation of new educational opportunities.

But these steps, while necessary, simply do not in themselves create new jobs.

The measure, as introduced, called for an assault on joblessness through a \$36



million Federal incentive loan program for domestic industries.

Architects of the plan said this fund would create 10,000 new jobs at the rate of \$3,600 per job in industries designated by Secretary of Commerce Luther H. Hodges as offering the greatest potential for employment of the impoverished, poorly educated, unskilled worker.

The Commerce Department designated 83 industries as qualifying for incentive loans based on their meeting a five-point test during the 1958-62 period. The criteria established included:

First. A moderate or better growth trend.

Second. A low capital investment per employee.

Third. A low to moderate wage rate.

Fourth. A relatively high use of blue-collar workers.

Fifth. A high labor intensity as measured by labor costs as a percentage of sales.

The 83 industries listed by the Commerce Department are engaged in textile and apparel manufacture, furniture making, wood and paper products, glassware and metal production, and appliance and machinery manufacture.

#### PRECEDENT FOR LOAN PROGRAM

There is precedent for both the Federal incentive loan program contemplated in the antipoverty bill and for the conviction that high labor content industries offer the greatest promise for creation of jobs that can be filled by impoverished, low-skilled employees.

In its recent annual report the Area Redevelopment Administration said its industrial loan program had been responsible for creation of 20,431 jobs through expenditure of \$57.1 million over a 2-year period.

But little or no actual study has been given in the past to what effect, if any, foreign trade and our balance of payments have had on actual employment trends.

Like a shadowy specter, foreign trade has lurked in the background of employment statistics and until now has avoided serious inspection.

This study was undertaken, therefore, in an attempt to relate our foreign trade experience in recent years to the levels of employment in the industries most affected by the antipoverty crusade—a crusade that has captured the imagination of Americans from all walks of life.

The study drew heavily upon available export-import data which had been correlated by the Bureau of the Census. The technique of converting export-import trade balances into job equivalents, through use of output per worker ratios, provided the means for analyzing the effects of foreign trade on the employment experience of industries in the control groups.

#### JOB LOSSES CITED

Using the Commerce Department's criteria, the study disclosed:

First. Imports resulted in a net loss of 21,174 production jobs between 1958 and 1962 in 48 industries counted upon by the administration to provide new jobs through Federal incentive programs.

Second. An additional 13,763 jobs in nonproduction and service industries

which would have been supported by the 21,174 production jobs were lost.

Third. Projection of these experiences to cover 152 industries, of which the 48 were merely a sampling, indicates that 116,460 jobs were lost as a result of increased imports.

The 152 industries include the 83 which met all five tests established by the Commerce Department plus 69 others which met 4 of the 5 tests established to identify those with big potential for employment of unskilled workers.

Paradoxically, none of the industries represented in this study were damaged by the dramatically higher levels of imports from foreign producers. The American industries, on the contrary, enjoyed moderate to good production, sales, and earning increases, and were able to increase capital investments to expand production facilities.

Where did the damage strike?

The full burden of the adverse economic effects of our foreign trade policy was borne by those least able to shoulder it—jobless unskilled breadwinners whose families represent approximately one-fifth of our 30 million citizens living in poverty today.

An increasing proportion of consumer demand in this country for products of the 152 industries was met by goods imported from foreign countries—each of which enjoyed virtually full employment during the 5-year period.

Consider these contrasts in unemployment rates for 1962 alone: the United States, 5.6 percent; Japan, 0.9 percent; Belgium, 1.8 percent; West Germany, 0.7 percent; France, less than 1 percent; United Kingdom, 2 percent; the Netherlands, 0.8 percent; and Italy, 3.1 percent.

These unemployment ratios were recorded in a year when U.S. imports of goods produced by the 48 industries studied had reached \$888.1 million, a 90.9 percent increase over the level of such imports in 1958.

During this same 5-year period, exports of the 48 study industries increased only 18.8 percent from \$638.0 million to \$758.2 million.

Simply put, imports of products of the industries studied quadrupled the rate of growth of their exports during the 5-year period and America's balance of trade shifted from a plus \$172.8 million to a minus \$129.9 million.

It is apparent from these facts that any steps taken to reduce joblessness in these particular industries that do not provide for an adjustment in the foreign trade picture will meet with certain failure.

#### SELECTION OF THE INDUSTRIES INCLUDED IN THE STUDY

Of the 83 industries designated by the Commerce Department as meeting all 5 tests, 22 were found to have import-export data correlated by the Census Bureau, providing a representative sampling for study of the effects of foreign trade on their employment trends.

Since one of the five tests—that of a moderate growth trend in employment in recent years—has no connection with identifying industries capable of employing low skill, untrained workers, the

study applied the four remaining tests to a broad group of industries. It was found that 69 industries met all of the requirements set by the Secretary of Commerce with the exception of the growth rate tests. Of these 69 industries, 23 were found to have import-export data correlated by the Census Bureau, providing a representative sampling of the four-test group for purposes of analysis.

In addition, three industries with substantial foreign trade which met four or five of the tests were studied separately. For one of the three, among the 83 designated by the Commerce Department, foreign trade data could not be correlated without joining it to a separate industry not included among the 83. The third industry, also included in the list designated by the Secretary of Commerce, accounted for such a large proportion of the exports of those industries for which import-export data had been correlated that its inclusion in the group would have seriously distorted analysis of the average situation of the industries in the total group. Thus, these three industry groups were studied separately from the other two control groups.

The answers to two questions were sought in the study:

First. Are export trends creating jobs of the type the long-term unemployed and members of poor families can perform?

Second. Are import trends eliminating jobs of this type more rapidly than Government programs and private industries can create them?

#### RESULTS OF ANALYSIS

The results of the analysis of the three groups of industries are depicted graphically, which establish the following salient facts:

First. A weakness common to all of the 48 industries in the 3 study groups is the labor-intensive nature of their output; that is, their products require a relatively high degree of direct labor in the productive process. Since wage rates abroad are uniformly lower by decisive margins than in the United States, foreign industries with comparable plants, equipment, and technology to those of American industries have a competitive advantage through significantly lower production costs.

Second. Job losses attributable to increased competition from imports occurred in all three control study groups during the 5-year period regardless of whether consumer demand for the products was slight or relatively high. This reflects the decisive competitive advantage enjoyed by foreign producers as a result of lower production costs stemming from lower wage rates in the labor-intensive industries.

Third. Relatively high capital expenditures helped to boost the productivity per worker among the industries in the three control groups. This appears to have contributed to moderate increases in exports by domestic producers, but it did not keep import penetration of domestic markets within the same moderate bounds. The noticeable exception in export growth occurred in the group of 3



industries studied separately from the 22 and 23 industry groups. The 17-percent average annual rate of growth recorded in the smaller grouping was due primarily to the impact of U.S. buying of textile machinery for export to underdeveloped countries under foreign aid programs. From 1955 to 1963 more than \$6.2 billion was expended for such purchases with 44 percent of the total spent in the United States.

Fourth. So long as the industries are labor intensive, regardless of the relative strength of demand, imports increase more swiftly than either domestic or export demand, due to the advantage of lower wage rates enjoyed by foreign producers. The inevitable consequence is an adverse change in the U.S. balance of trade in such products and a concurrent net loss of employment from domestic to foreign producers of the goods. A summary of the shift in the U.S. balance of trade in the 48 labor-intensive industries studied shows:

[Dollar amounts in millions]

| Products of industry group | 1958    | 1962    | Percent change |
|----------------------------|---------|---------|----------------|
| U.S. imports:              |         |         |                |
| 22 industries.....         | \$216.6 | \$419.8 | -----          |
| 23 industries.....         | 198.7   | 335.5   | -----          |
| 3 industries.....          | 49.9    | 132.8   | -----          |
| Total.....                 | 465.2   | 888.1   | +90.9          |
| U.S. exports:              |         |         |                |
| 22 industries.....         | 252.4   | 281.8   | -----          |
| 23 industries.....         | 307.0   | 335.7   | -----          |
| 3 industries.....          | 78.6    | 140.7   | -----          |
| Total.....                 | 638.0   | 758.2   | +18.8          |
| U.S. balance of trade:     |         |         |                |
| 22 industries.....         | +35.8   | -138.0  | -----          |
| 23 industries.....         | -108.3  | +.2     | -----          |
| 3 industries.....          | +28.7   | +7.9    | -----          |
| Total.....                 | +172.8  | -129.9  | -175.2         |

A summary of the losses in domestic employment in the 48 industries studied resulting from the adverse foreign trade experience shows:

| Products of industry group                         | 1958   | 1962    | Change 1958/62 | Percent change |
|----------------------------------------------------|--------|---------|----------------|----------------|
| Losses in employment to imports:                   |        |         |                |                |
| 22 industries.....                                 | 13,567 | 23,752  | 10,185         | -----          |
| 23 industries.....                                 | 12,070 | 17,213  | 5,143          | -----          |
| 3 industries.....                                  | 4,355  | 9,555   | 5,200          | -----          |
| Total.....                                         | 29,992 | 50,520  | 20,528         | +68.4          |
| Gains in employment due to exports:                |        |         |                |                |
| 22 industries.....                                 | 13,617 | 12,742  | -875           | -----          |
| 23 industries.....                                 | 15,435 | 14,307  | -1,128         | -----          |
| 3 industries.....                                  | 5,705  | 7,062   | +1,357         | -----          |
| Total.....                                         | 34,757 | 34,111  | -646           | -1.9           |
| Net gain or loss of employment from foreign trade: |        |         |                |                |
| 22 industries.....                                 | +50    | -11,010 | -11,060        | -----          |
| 23 industries.....                                 | +3,365 | -2,906  | -6,271         | -----          |
| 3 industries.....                                  | +1,350 | -2,493  | -3,843         | -----          |
| Total.....                                         | +4,765 | -16,409 | -21,174        | -444.4         |

The net loss of jobs of 21,174 represents the number of potential jobs lost as a result of the deterioration of our foreign trade balances in the products of the labor-intensive industries included in the three groups.

In addition to the direct loss of these production workers, the nonproduction

workers in the same industries and the supporting and service industry workers called into action would have totaled 13,763—based on 65 supporting workers per 100 production jobs as estimated by ARA—for a gross job loss of 34,937.

The 48 industries studied are a representative sampling of 152 industries, all of which meet 4 or 5 of the Commerce Department tests for high employment potential of impoverished, low-skill workers. The sample group represents 30 percent of the 152 industries. Projecting the job loss experience of the sample group to the larger group reveals that the total loss of job potential due to foreign trade in labor-intensive industries was 116,460 during the 5-year period 1958–62.

The total of jobs exported reaches the staggering magnitude of over 11 times the number of jobs (10,000) which the administration proposed creating through a \$36 million incentive loan fund to the same types of industries as were adversely affected by our foreign trade imbalance.

#### ACTION NEEDED TO REVERSE JOB FLOW

It becomes clear that we are exporting jobs at a faster rate than either Government subsidy programs or industry investment spending can create them.

It also becomes clear that our foreign economic policy is unresponsive to the realities of the employment needs of the Nation's impoverished, unemployed worker.

If a successful attack on poverty and unemployment is to be mounted in the United States, some action must be taken to stem the flow of jobs from this country to the relatively low-wage countries competing with our domestic blue-collar industries.

A logical first step is action by President Johnson to reserve the product categories of these labor-intensive industries from further tariff reductions in the trade agreement negotiations now under way in Geneva. This would rule out the proposed 50 percent across-the-board reduction in U.S. duties on the products of foreign industries competing in our domestic markets with our own industries. It would not reverse the outflow of jobs from our shores, but it would at least prevent acceleration of this trend.

A necessary second step to bring back to this country the jobs lost since 1958 to foreign industries is action to limit imports of the products of these blue-collar industries. This could be achieved by limiting such imports to an amount 25.8 percent above the 1958 level of such imports, thus restoring to domestic industry groups the output potential lost to foreign producers since that time.

The reduction of imports required would be \$302.7 million, equivalent to only 9.2 percent of the increase in imports in all manufacturing between 1958 and 1962.

Congressional action is needed to set import ceilings because the administration may take such action only when it finds an industry or group of industries has suffered serious injury as a result of unfavorable trade conditions. In the case of the industries cited in this study,

no such finding is possible since, as a group, they are enjoying relatively good fiscal health while the army of unemployed in the blue-collar field is growing year by year as producers in other lands increase their sales in the U.S. market at a more rapid rate than the Nation's own industries.

#### THE IMPACT OF U.S. FOREIGN ECONOMIC POLICY ON THE WAR ON POVERTY: INTRODUCTION

The President has sounded for a national war on poverty; with total victory the objective. It is to be an all-out effort to enable people to develop and use their capacities to share in the general well-being of the Nation.—President's message on poverty, March 16, 1964.

The creation of job opportunities for those without jobs, and jobs with a decent income for those among the poor who are in marginal jobs, is a prime means of winning the war on poverty. The size of the job-creating effort required is formidable.

If unemployment were to be reduced a percentage point—to 4½ percent, there would still be over a million long-term unemployed; that it, persons out of work for 15 or more weeks. A large part of these come from the ranks of the poverty-stricken. Lacking education or skills, they cannot compete for jobs which require skills and training.—Statement of the Secretary of Labor before the House Education and Labor Committee, March 19, 1964.

Even among the ranks of the skilled and well-trained workers, unemployment and poverty are a reality. While technological change rarely makes workers unemployable, "it is frequent for a displaced worker to find himself required to accept a less challenging and lower paying job. The specialized skill, experience, and seniority which contributed to earning power in the original job frequently do not have transferable market value."—Economic Report of the President, January 1964, page 102.

The burden of technological displacement often falls most heavily on those least able to bear it. Overwhelmingly, the groups displaced have been the less-skilled, less-educated, and therefore poorer members of the labor force. "Some of these workers, who have non-transferable skills or are 'too old' at 40 or 50 to be reabsorbed, are unable to get regular jobs or, in many cases, any work at all. They find themselves in a downward spiral that pulls their children down with them"—the War on Poverty, a Congressional Presentation, March 17, 1964, page 4.

Poverty as the child of unemployment also has a regional aspect. "High rates of unemployment and underemployment and their invariable result—severe poverty—may be found in broad areas such as Appalachia and the Ozarks or in smaller pockets such as certain depleted mineral and lumber areas of the North and the slum-ridden core areas of many of our larger cities. Obviously, one of the most necessary and effective measures for the alleviation of poverty in these areas is to provide a means of stable employment for those who cannot find work"—Ibidem, page 45.



Actions designed to improve the social services available to the poverty-stricken, and to give them basic education and training will not in themselves remove these unfortunate people from the ranks of the poverty-stricken. They need private enterprise to create jobs—testimony of Administrator, Area Redevelopment Administration, before House Public Works Committee, May 6, 1964. Industries will be their salvation—testimony of the Under Secretary of Commerce, before the House Public Works Committee, May 5, 1964.

#### SOURCES OF JOBS FOR THE POVERTY STRICKEN IN INDUSTRY

Because of the low skill and training level of the people who predominate in the poverty group, job opportunities necessarily must come from industries with low skill and training requirements for entrants into their work force. The Secretary of Commerce has supplied the following tests to identify the industries most likely to have the ability to provide jobs for the poor—statement of the Secretary of Commerce before the House Education and Labor Committee, March 19, 1964.

First. A moderate or better growth trend in recent years;

Second. A low investment per employee;

Third. A low to moderate wage rate;

Fourth. A relatively high use of blue collar workers;

Fifth. A high labor intensity, as measured by labor cost as a percentage of sales.

Using these tests, the Commerce Department identified 83 industries as those which appear to offer considerable promise in providing jobs for unemployed persons in the poverty group—the list of 83 industries is set forth in table I, appendix. The tests were refined by the Area Redevelopment Administration, which made the 83 industry selections, as follows:

First. Growth trend: Average employment 1958–60 compared with 1961–62. If 0 to 5 percent moderate; if 5 to 10 percent high growth; over 10 percent, very high growth.

Second. Investment per employee: Less than \$7,500 required. If under \$1,500, very low; \$1,500 to \$3,500 low; \$3,500 to \$7,500, moderate—1957 data.

Third. Wage rate average hourly earnings, production workers. If under \$1.50, very low; \$1.50 to \$2, low; \$2 to \$2.75, moderate—1962 data.

Fourth. Proportion of blue collar workers: Production workers as percent of total employment. If 60 to 75 percent, moderate; if 75 to 80 percent, high; if over 80 percent very high—1962 data.

Fifth. Labor intensity: Today payroll as percentage of value of shipments. If 20 to 30 percent, moderate; if 30 to 40 percent, high; if over 40 percent, very high—1962 data.

These tests were developed in connection with title IV of the administration bill, H.R. 10443—the Economic Opportunity Act of 1964—providing for loans up to the sum of \$10,000 per job created to firms willing to expand or to come into being and to commit themselves to employ workers from the ranks of the

long-term unemployed and members of low-income families.

Data used were taken from Bureau of the Census, 1958 Census of Manufactures, and Annual Surveys of Manufactures, 1959–62.

Opposition to this portion of the bill led to its elimination—see for example House Report 1458, 88th Congress, reporting H.R. 11377, a “clean bill” which eliminates the \$36 million loan fund. But the tests are appropriate for use in identifying potential sources of jobs for the unemployed in the poverty group in any event. They recognize the low level of skills possessed by these unemployed. They also recognize the particular characteristics of industries which would be able to use workers with a relatively low level of skills.

Whether or not the special loan fund is provided as incentive to firms in these industries to expand their operations, the tests helpfully focus attention on those sectors of the manufacturing economy of the Nation where growth must occur if jobs are to be provided for the unemployed members of the poverty group.

#### THE JOB-CREATING POTENTIAL OF INDUSTRIES UNDER FEDERAL INCENTIVE PROGRAMS

How many new jobs of the type the long-term unemployed and the unskilled, untrained members of poor families can fill need to be created to win the war on poverty?

In March 1963, 600,000 poverty families were headed by a person who was unemployed. A prior study made in 1961 indicated that 1.6 million family heads were unemployed. Counting the dependents of unemployed family heads, as shown in that study, any program to provide jobs for unemployed family heads would benefit at least one-fifth of the 30 million poverty stricken—“Poverty in the United States,” Committee on Education and Labor, House of Representatives, April 1964, page 208.

Area redevelopment projects approved through June 30, 1963, are expected to assist in creating 90,000 jobs. This leaves an unemployment gap of 510,000 jobs in the poverty belt. If these jobs were created, it would bring the unemployment rate in the Nation's low-income areas down to the current national average of about 5.4 to 5.6 percent unemployment—Annual Report of the Area Redevelopment Administration, 1963, page 5.

What programs, projects, or economic forces can create these 510,000 jobs, so urgently needed to win the war on poverty? Under the administration's projected 3½ percent annual productivity increase, 2.1 million jobs per year must be created to keep unemployment from rising. An additional 1.4 million jobs must be created each year for the rest of the decade to absorb the increase in the labor force—U.S. Senate, Committee on Labor and Public Welfare, Subcommittee on Employment and Manpower, “Toward Full Employment,” April 19, 1964, page 17. There is considerable doubt that the growth in the economy will fill this need, let alone go beyond and dry up the persistent unemployment among the poverty stricken—“Total employment has been growing, but not at the pace

required by these needs.” Manpower Report of the President, March 1964, page 15. Report on Manpower Requirements, Resources, Utilization, and Training, U.S. Department of Labor, March 1964, page 4. “Toward Full Employment: Proposals for a Comprehensive Employment and Manpower Policy in the United States,” Report of the Subcommittee on Employment and Manpower Policy, Committee on Labor and Public Welfare, U.S. Senate, April 19, 1964, page 2.

The administration's target for creation of jobs by private enterprise specifically to help the poverty problem was formally expressed in title IV of the war on poverty bill, H.R. 10443. It provided for loans to firms undertaking to create jobs for the long-term unemployed and members of poor families.

The total loan fund of \$36 million was premised on an average of \$3,600 per new job created, or an incentive fund to stimulate the employment of 10,000 poverty-stricken workers—statement of the Secretary of Commerce, before the House Education and Labor Committee, March 19, 1964.

That target was based on the experience of the Area Redevelopment Administration. By the end of fiscal 1963, it had approved industrial loans totaling \$57,160,000. It estimated the job-creating potential of these loans as being equivalent to 20,431 jobs—Annual Report of the Area Redevelopment Administration, 1963, page 15. Total industrial/commercial loans totaled \$123,433,000; public facility loans and grants totaled \$94,858,000. The total number of jobs created through these loans and grants was 90,000 including an estimated 65 indirect jobs created for each 100 direct jobs. Confer annual report, page 5.

This represents a 2-year effort. Since the area redevelopment program is also directed to the increase of employment in areas of chronic unemployment and depressed economic conditions, the magnitude of the job-creation effort is a useful reference point by which to appraise similar efforts under the war on poverty program. The 10,000-job objective of title IV of the war on poverty bill is a prudent goal by this standard.

Despite the greater total need—510,000 jobs—an increase of 20,000 jobs suitable for relatively untrained persons would be of importance in the war on poverty.

#### FOREIGN TRADE DEVELOPMENTS AS AFFECTING THE WAR ON POVERTY

Little attention has been given to the impact of foreign trade developments on the Nation's war on poverty. Are export trends creating jobs of the type the long-term unemployed and members of poor families can perform?—The chairman of the Board of Manpower, Inc., has declared that “The greatest weapon we could use in the war against poverty would be expanded export trade, for we could absorb 100,000 people into production for every \$1 billion boost in export volume.” Journal of Commerce, April 28, 1964. Are import trends eliminating jobs of this type more rapidly than Government programs and private industry



can create them?—Mr. V. Giscard d'Estaing, French Minister of Finance, recently observed that increased imports of manufactured products in 1963 were estimated to represent the equivalent of the annual output of 170,000 employees of that nation. *International Financial News* survey, April 24, 1964.

Ignoring the effects of the Nation's foreign trade in manufactures on the war on poverty would be a disservice to the President's call for total war on an enemy "which threatens the strength of our Nation and the welfare of our people."—The President's message on poverty, March 16, 1964.

The possibility exists that the Nation's foreign trade balance in the commodities produced by the industries especially suited to provide employment opportunities for the poverty stricken is helping or harming the war on poverty by advancing or retarding the potential of such industries for new jobs. The facts should be determined.

If foreign trade is helping the Nation to win that war, a correct assessment of its contribution is needed in order that other measures may be scaled realistically to the actual growth required from other sources.

If foreign trade trends are harming the Nation by eliminating job growth in such industries, that fact must be recognized, brought out into the open, and dealt with.

If the Nation is, in fact, threatened with defeat in its war on poverty because adverse import balances neutralize the benefit of other job-creating activities, the cause of such defeat must be known. Without such knowledge, the courage required to overcome the forces of defeat cannot be exercised. The Nation cannot afford to lose this war by default.

The data are at hand to determine these facts. The tests proposed by the Secretary of Commerce identify the sectors of industry capable of providing jobs for the poverty stricken. Title IV of the war on poverty bill, and the experience of the area redevelopment program, supply a benchmark with which to evaluate the significance of gains or losses of employment in these industrial sectors due to foreign trade.

The necessary correlation of import/export data by industrial classification has been achieved, so far as practicable, by the Bureau of the Census and other cooperating Government agencies.—See U.S. Department of Commerce, Bureau of the Census, "U.S. Commodity Exports and Imports as Related to Output, 1962 and 1961," grouping in terms of the 1957 Standard Industrial Classification for industries statistical data for U.S. exports of domestic merchandise, imports for consumption, and domestic output. This, the latest in a series of such reports commencing with data for 1958, republishes the export/import data by industry classification for the years 1958-62. The technique of converting import/export trade balances into employment equivalents through use of output per worker ratios has been demonstrated.—See Salant and Vaccara, "Import Liberalization and Employment," the Brookings Institution, Wash-

ington, D.C., 1961, pages 87, 91, 186. See footnote 26, *infra*.

It remains only for the relevant economic data to be brought together, analyzed, and the results presented. That is the purpose of this paper.

#### EMPLOYMENT EFFECTS OF FOREIGN TRADE ON INDUSTRIES SELECTED BY THE COMMERCE DEPARTMENT AS POTENTIAL EMPLOYERS OF THE POVERTY-STRICKEN

To determine the effect of foreign trade on particular industries, it is necessary to correlate export and import data with the basic economic data of the industry. This requires the grouping of foreign trade data by output categories of the Standard Industrial Classification. Since the classification systems for import, export, and domestic industry data differ considerably, the correlation problem is difficult, and cannot be accomplished for many industry groups.

Of the 83 industries identified by 4-digit Standard Industrial Classifications as most likely to be able to provide jobs for the poverty-stricken, the Bureau of the Census has been able to correlate import and export data for only 24 industries—see table I, appendix.

These 24 industries are well distributed throughout the larger group of 83. Their selection, based on the fortuitous event of the matchability of data under the differing classification systems, is entirely random. They may be taken as representative of the larger group under these circumstances.

Two of the 24 industries are atypical and will be separately analyzed. The other 22 industries will thus comprise the primary group of industries whose domestic operations will be examined in relation to import and export trends. These 22 are identified in tables I-1 through I-5, appendix.

The full group of 83 industries identified by Secretary Hodges' five tests for industries with job potential for the poverty-stricken had a total employment in 1962 of 2,715,648 workers. The group of 22 industries to be analyzed had 574,667 employees in that year, or 21.2 percent of the total.

The basic data for these 22 industries are summarized in table II, appendix. These data show that the group is well above the national average for all manufacturing concerns in economic growth. They are a dynamic group, vigorously expanding employment and output under strong demand conditions. This is shown by the following trends in basic performance factors:

First. Employment increased, 1958 to 1962, at the average rate of 3.5 percent per year. All manufacturing industries as a group, in contrast, boosted employment at only an average rate of 1.2 percent per year in that period—See table V, appendix, for all manufacturing.

Second. Shipments rose, in value, an average 7 percent per year, much more briskly than all manufacturing sales, which increased at the average rate of 5.2 percent per year.

Third. Value added by manufacture increased an average 7.4 percent per year, somewhat ahead of all manufacturing at 6.2 percent per year. Value added per production worker in the 22-

industry group, however, rising at the average rate of 4.3 percent annually, lagged behind the performance of all manufacturing industries at an average 5.1 percent per year. Either rate is commendable for this measure of productivity—see address by the Secretary of Commerce, Los Angeles Industrial Fair and Congress, Los Angeles, Calif., March 6, 1964, page 3; also, the Secretary's address before the Peninsula Manufacturers Association, Palo Alto, Calif., March 5, 1964, page 3. Output per man-hour in the private sector of the economy increased at the average rate of 3.1 percent, 1958-63—"Toward Full Employment," report of Subcommittee on Employment and Manpower, Senate Committee on Labor and Public Welfare, April 19, 1964, page 17.

In all manufacturing, output per man-hour rose an average 3.7 percent 1960 to 1963. The value added per worker rate of increase of the 22 industries is well above these national productivity estimates—Economic Report of the President, January 1964, page 97.

Fourth. Capital expenditures rose an average of 10.4 percent per year, four times the rate of increase in the all-manufacturing group at an average rate of 2.6 percent per year. Capital expenditures per production worker in the 22-industry group rose an average 6.6 percent per year, also quadruple the rate of increase in all manufacturing industries, at an average of 1.7 percent per year.

In view of the low capital expenditure rate for all manufacturing, the greater efficiency implied by the higher value added per production worker rate of increase by all manufacturing would seem to be the result of increased utilization of previously underutilized capacity. The 22-industry group's much higher rate of capital expenditure increases, on the other hand, coupled with the somewhat lower rate of increased productivity, would seem to imply that the latter's boost in output came through the creation of new capacity rather than absorbing previously underutilized capacity.

These data suggest that the 22-industry group was expanding capacity as well as output, while the all-manufacturing group was expanding output in existing capacity—see table annexed to address by Chairman, President's Council of Economic Advisers, before the Midwest Economics Association, Chicago, Ill., April 17, 1964, indicating that the actual operating rate of all manufacturing industries in December 1963 was an estimated 85 percent, and in December 1964, 87 percent.

Fifth. Earnings per production worker rose an average of 2.7 percent per year in the 22-industry group; and by 3.5 percent for all manufacturing. In view of the more rapid rise in the value of shipments in the 22-industry group than in the all-manufacturing-industries group, the lower rate of increase in earnings per worker led to a higher earnings rate in the smaller group, as indicated below.

Sixth. Gross earnings, as measured by the value of shipments less the sum of payroll and materials costs, increased for the 22-industry group at the aver-



age annual rate of 8.6 percent. Gross earnings is calculated by subtracting payroll costs from value added by manufacture, which in turn is approximately equal to the value of shipments less the cost of materials, electrical energy, and fuel. See item A-10, tables II-V, appendix. For all manufacturing, the average rate of increase was 7.5 percent per year.

Seventh. The labor intensity of the output was higher in the 22-industry group, with payroll costs averaging 29.8 percent of the value of shipments in 1962—down from 30.5 percent in 1958. In all manufacturing, payroll costs represented 22.5 percent of the value of shipments in 1962, virtually unchanged from the 1958 average of 22.6 percent.

The vigor of demand for the products of the 22-industry group is unmistakable. Its strength carried the group well above the average of all manufacturing industries, and provided, through increased sales, the funds for a rapid increase in capital expenditures for an expansion of capacity and a striking increase in employment.

On the average, these industries were in buoyant economic circumstances which should have placed them on an excellent footing to face foreign competition in the import and export markets. The single factor of disadvantage of this group for such competition in comparison with the all manufacturing group lay in the significantly higher labor content of its products.

The foreign trade experience of this dynamic, expanding group of industries is a seeming paradox. From the data presented in table II, appendix, the outstanding aspects of that foreign trade experience are summarized as follows:

First. Imports of products competitive with the output of the 22 industries increased at an average rate of 19.6 percent per year. This was more than double the rate of increase in imports of all manufactures, which rose an average 9.2 percent per year, 1958-62.

Second. Exports by the 22-industry group increased a modest average 2.8 percent per year. Exports of all manufactures were nearly twice as swift in their increase, rising at the average rate of 4.8 percent per year.

Third. The balance of trade in the products of the 22 industries accordingly shifted from a favorable balance of \$35.8 million in 1958 to a sharply unfavorable balance of \$138 million in 1962. The rate of decline was an average 121 percent per year. The all-manufacturing group had a favorable balance throughout the period, but it declined from \$5.6 billion in 1958 to \$5.2 billion in 1962, a drop of 8.2 percent over the period.

Fourth. The import share of apparent domestic consumption rose rapidly, at an average rate of 10 percent, notwithstanding the increased rate of output of the 22 industries mentioned above. At the same time, the export portion of their shipments declined at the average rate of 4.5 percent per year. This import penetration of the domestic market and simultaneous shrinkage in the export output of the 22-industry group was 3 times as great as the experience of

the all-manufacturing group. Imports of all manufactures increased their share of the domestic market at an average rate of 3.3 percent from 1958 to 1962, while the portion of domestic industry shipments of manufactures exported declined at the average rate of 0.2 percent per year.—Chart omitted from the RECORD.

The seeming paradox lies in the fact that the 22-industry group with a more dynamic economic performance than the average of all manufacturing fared much more poorly in foreign trade than the all-manufactures group. The adverse force of swift import penetration of domestic markets and sharply falling export activity was 3 times as great on the 22-industry group as on all manufacturing as a whole.

Two factors must be given primary weight in bringing this about. The strength of domestic demand for the products of the 22 industries was sufficient to expand the domestic market rapidly enough to receive the increased domestic output along with the increased imports. The high labor content of the domestic products gave the foreign products a sufficient advantage under lower foreign wage costs to command a more rapid entry into the expanding domestic market than the increased domestic output.

The situation of the 22-industry group is not the usual one of domestic industries forced into marginal pricing and depressed earnings by rapidly rising imports entering a market too stagnant to permit growth for both the domestic and foreign product. For the group as a whole, economic injury of this sort is not suggested by the aggregate data—though this may well be the situation of individual industries within the group.

Instead, the case of the 22 industries illustrates the important but paradoxical fact that adverse foreign trade developments may, in a dynamic market, cause an absolute loss of domestic jobs without causing the domestic industries concerned serious economic injury. From the point of view of the Nation's war on poverty it is of outstanding importance that the capacity of rapidly increasing imports and declining exports to eliminate jobs, actual and potential, even in a dynamic domestic market, be understood.

The employment consequences of the foreign trade developments discussed above may be summarized as follows:

First. The employment equivalent of imports, measured by converting import values on a current import factor basis at output per worker ratios for the years in question, increased from 13,567 workers in 1958 to 23,752 in 1962. This represents a loss of 10,185 potential jobs to the domestic economy. These losses of potential jobs increased at the average rate of 16.7 percent per year, 1958 to 1962. For all manufacturing industries, losses of potential jobs due to imports increased at the average rate of 4.8 percent during the period.

Second. The employment equivalent of exports, measured by converting export values at output per worker ratios for the years in question, declined from 13,-

617 jobs in 1958 to 12,742 jobs in 1962. This is a loss to the economy of 875 jobs. These losses grew at the average rate of 1.5 percent per year during the period. In the all manufacturing industry group, there were job gains due to exports, averaging 0.8 percent per year.

Third. The employment potential due to foreign trade changed from a gain of 50 jobs in 1958 in the 22-industry group to a loss of 11,010 jobs in 1962. The net loss of jobs during the period due to adverse foreign trade trends was 11,060.

The 11,060 jobs lost to the 22 industries, and to the domestic economy, as a result of the adverse foreign trade trends described above are of major importance to the war on poverty. This is more jobs than the administration hoped to create through the expenditure of \$36 million under title IV of the war-on-poverty bill.

The ARA has found that for every 100 jobs created directly, another 65 jobs come into existence indirectly—annual report of the Area Redevelopment Administration, 1963, page 5. This figure of 65 jobs created indirectly per 100 created directly would appear to be an underestimate when compared with Salant and Vaccara, in the work cited, pages 44-45, who give the relationships between employment decreases in a given industry and the consequent employment decreases in all industries; application of the median figure, 58.53 percent, derived by them, leads to an estimated indirect loss of 70.58 jobs for each direct decrease of 100 jobs. The jobs that would have been created domestically to fill the demand supplied by increased imports and the declining exports would have called into being 7,189 additional jobs. The total loss to the Nation, therefore, is 18,249 jobs. Had these jobs been created in the United States, with its high rate of unemployment, rather than abroad, where acute labor shortages exist, the poverty-stricken, long-term unemployed heads of poor families would have benefited—the unemployment rate in 1962 in the United States was 5.6 percent, compared with 0.9 percent in Japan, 1.8 percent in Belgium, 0.7 percent in West Germany, less than 1 percent for France, 0.8 percent in the Netherlands, 2 percent in the United Kingdom, and 3.1 percent in Italy. International Labour Review, Statistical Supplement, March 1964; "EEC Graphs and Notes on the Economic Situation in the Community," February 1964, page A2.

#### EMPLOYMENT EFFECTS OF FOREIGN TRADE ON OTHER INDUSTRIES WHOSE ECONOMIC CHARACTERISTICS MAKE THEM POTENTIAL EMPLOYERS OF THE POVERTY STRICKEN

The tests formulated by the Secretary of Commerce to identify industries with special potential as employers of the jobless among the poverty stricken are based on a realistic appraisal of, first, the lack of skills or training of those persons, and second, the ability of industries which are highly labor intensive, but low in skill or training requirements for new workers, to employ such persons.

The industries which meet the Secretary's five tests are likely to have low entry requirements for new employees so



far as skill and training are concerned. Being labor intensive, an increase in demand or output in such industries is likely to be more quickly translated into new jobs for unskilled workers than for others.

One of the five tests, a moderate or better growth trend in employment in recent years, has no connection with identifying industries with products of high labor content and an ability to employ low-skill, untrained workers. Rather, it is based on the notion that the best opportunity for further growth exists in industries already experiencing a growth trend.

The job potential for the poverty stricken in industries which meet all of the tests except growth in employment, however, could be substantial. An examination should be made to determine how large a group of industries is involved which meet all of the tests except that of growth in employment. The employment potential of those industries under all pertinent economic circumstances should be considered. Unless this is done, the full potential for creating jobs for the poverty stricken in industries particularly able to employ them cannot be known.

Accordingly, the Secretary's tests were applied to all other four-digit SIC industries for which import and export data have successfully been correlated by the Bureau of the Census. A group of 23 industries was identified which meet each of the tests except growth in employment as measured by the Commerce Department. These industries are well distributed throughout the Standard Industrial Classification system.

Since the selection of this new group was based on fortuitous factors, as previously explained in connection with the 22 industries which meet all five tests, the group represents a random sample. The 23 industries may therefore be taken as representative of all industries which meet the four tests. It is estimated that a total of 69 industries with an estimated 2,028,738 employees in 1962 meet the four tests, but not the fifth. Of the total of 416 four-digit SIC manufacturing industries, 83 met the Secretary of Commerce's 5 tests. Of the remaining 333 industries, the Bureau of the Census was able to correlate import and export data for 111. This is a 33½ percent sample of the 333. An analysis of these 111 industries identified 23 which meet the four tests—excluding the fifth test of growth in employment. These 23 represent a 20.7 percent sample of the 111 industries. Since the 111 were representative of the 333, the analysis reasonably indicates that 20.7 percent or 69, of the 333 would meet the four tests. Total employment of the 23 in 1962 was 676,253; average of the 23 was 29,402. Since the 23 are representative, it may be assumed that the average employment, 29,402, is representative of employment in the 69 industries which, out of the 333, would meet the four tests. Therefore, total employment in the 69 industries may be estimated at 29,402 by 69, or 2,028,738. The 23 industries selected on the basis of availability of ex-

port-import data had 676,253 employees in 1962, or 33 percent of the total.

The basic data for this group of 23 industries are summarized in table III, appendix. These data show that this group of industries has been consistently below the national average for all manufacturing concerns in economic growth. Moreover, the group is markedly below the economic growth rates of the 22-industry group previously discussed.

First. Employment increased, 1958 to 1962, at the average rate of 0.1 percent per year for the 23-industry group. A 6.5 percent rise in employment in 1959 was erased by 1961, and employment remained relatively unchanged at the end of the period. This contrasts with the 1.2 percent average rate of increase for all manufacturing, and the 3.5 percent rate for the 22-industry group.

Second. Shipments rose, in value, an average 4.5 percent per year, lagging moderately behind the average of all manufacturing at 5.2 percent, and well below the rate of increase of the 22-industry group of 7 percent per year. The demand for products of the 23 industries was thus weaker than for manufactures generally, and much weaker than for the products of the 22-industry group.

Third. Value added by manufacture increased an average of 5.2 percent per year, lagging behind the rise in all manufacturing of 6.2 percent, and in the 22-industry group of 7.4 percent per year. Value added per production worker rose an average 4.8 percent per year, also below the all manufacturing rate of 5.1 percent. Here the 23-industry group performed better than the 22-industry group, whose average rate of increase for the 1958-62 period was 4.3 percent per year. However, part of the difference in performance between the 22-industry group and the 23-industry group is attributable to a more rapid rate of increase in average annual man-hours per production worker in the 23 industries, 0.9 percent, as compared with the 22 industries, 0.2 percent.

Fourth. Capital expenditures by the 23-industry group rose an average 11.2 percent per year, in contrast to the all manufacturing rate of 2.6 percent. It is about the same as the rate achieved by the group of 22 industries. Capital expenditures per production worker in the 23-industry group rose an average 10.8 percent per year, well ahead of the 6.6 percent rate for the 22-industry group, and strikingly above the average of all manufacturing, at 1.7 percent per year.

Fifth. Earnings per production worker rose an average 3.3 percent per year in the 23-industry group. This was close to the average of all manufacturing at 3.5 percent, and above the performance of the 22-industry group whose employee earnings rose at the average rate of 2.7 percent per year.

Sixth. Gross earnings, as measured by the value of shipments less the sum of payroll and materials costs, increased at the average rate of 7.2 percent per year. This was close to the performance of all manufacturing industries as a whole at 7.5 percent per year, but below the rate

of increase in gross earnings of the 22-industry group, at 8.6 percent per year.

Seventh. The labor intensity of the output of the 23-industry group was on the average 30.3 percent of the value of shipments in 1962—down from 31.4 percent in 1958. In all manufacturing, payroll costs accounted for 22.5 percent of the value of shipments in 1962, virtually unchanged from 1958. The labor intensity in the 23-industry group was nominally higher than the 22-industry group, where the corresponding ratio was 29.8 percent in 1962.

From this analysis it is evident that the quality of demand was entirely different for the 23-industry group than for the 22. The 23 experienced a below-average rise in demand; the 22, a sharply above-average increase. The above-average rate of capital expenditures for the 23 coupled with relatively slack demand increased productivity sufficiently so that increases in employment were not required to produce the moderately increased output.

The high rate of increase in capital expenditures per worker indicates that these industries are, on the average, quite progressive. The ultimate determinant of their economic pace is simply the relatively weak state of demand for their products, in contrast with the exceptionally strong demand for the products of the group of 22 industries.

The 23-industry group has two basic disadvantages in competing with foreign products: the high labor content of its products, and the cost burden of the under utilization of capacity reflect by the slackness in domestic demand in the face of sharply increased capital expenditures.

The foreign trade experience of this group of industries conforms to the economic consequences of these principal disadvantages: the slackness of demand affects the imports as well as the domestic shipment; and the high labor content makes imports sufficiently competitive to yield a steady penetration of the domestic market notwithstanding the relatively weak state of domestic demand.

From the data presented in table III, appendix, the outstanding aspects of the foreign trade experience of the 23-industry group are summarized, as follows:

First. Imports of products competitive with the output of the 23-industry group increased at an average rate of 14.4 percent per year, 1958-62. This compares with the rate of 9.2 percent for all manufactures, and 19.6 percent for the 22-industry group. The higher rate than all manufactures reflects the two disadvantages previously mentioned. The lower rate than that of the 22-industry group reflects the lower level of demand for products of the 23-industry group in the U.S. market.

Second. Exports by the 23-industry group increased an average 2.4 percent per year, 1958-62. This is virtually the same rate as the 22-industry group, but only half the 4.8-percent rate of increase in exports of all manufactures. The nearly identical expansion rate in exports for the 22 and 23 industry groups reflects the basic fact that high labor



content industries have little success in surmounting the cost and price advantages which low foreign wage costs yield in labor-intensive, low-technological content products.

Third. The balance of trade in the products of the 23 industries declined from a favorable balance of \$108 million in 1958 to \$0.2 million in 1962. The rate of decline was an average 34.2 percent per year, compared with a decline in all manufactures of 8.2 percent for the entire period. This decline, though pronounced, was less extreme than in the case of the 22-industry group, whose favorable trade balance dropped at the average rate of 121 percent per year.

Fourth. The import share of apparent domestic consumption rose rapidly, at an average rate of 8.6 percent per year, compared with an average rate of import penetration of all manufactures of 3.3 percent per year. The export portion of the shipments of the 23-industry group declined at an average rate of 3 percent per year, 1958-62, compared with an average 0.2 percent decline in the export share of shipments of all manufactures.—Chart omitted from the RECORD.

It may seem paradoxical that the 23-industry group, with a higher labor intensity in its products than the 22-industry group, and a less vigorous rate of output, has not experienced developments in foreign trade as adverse as those affecting the more dynamic 22-industry group. The explanation is found in the difference in the strength of demand in the domestic market for the one group of products compared with the other.

Growth in both imports and domestic shipments is ultimately a function of domestic demand. The cost advantage of foreign products with high labor content tends to yield a more rapid rate of increase for imports than for domestic shipments of like products. The increase in imports is necessarily more rapid in labor-intensive product areas enjoying the strongest domestic demand. This economic axiom is demonstrated by the data for the 23-industry group when compared with those for the 22-industry group.

The employment implications of the foreign trade developments in the less dynamic industry group—the 23—are vitally important to victory in the war on poverty. These implications may be drawn from the foreign trade data of the 23-industry group shown in table III, appendix. They may be summarized as follows:

First. The employment equivalent of imports, measured from import values at domestic output per worker ratios, increased from 12,070 jobs in 1958 to 17,213 jobs in 1962. The rate of increase averaged 9.6 percent per year, in contrast to the 4.8 percent rate for all manufacturing industries. Loss of job potential due to import displacement is thus occurring in the 23-industry group at double the rate at which potential jobs are being lost in manufacturing as a whole. The net increase in job losses in the 23-industry group during the period was 5,143.

This is about half the loss in job potential experienced by the 22-industry group during the period.

Second. The employment equivalent of exports, measured by converting export values at output per worker ratios for the period 1958-62, declined from 15,435 jobs in 1958 to 14,307 in 1962. The average rate of decline was 1.7 percent per year, in contrast with the 0.8 percent rate of decline experienced by all manufacturing. The net job loss was 1,128, somewhat more than the loss of 875 jobs experienced in the export decline in the 22-industry group.

Third. The net employment potential of foreign trade for the 23-industry group changed from a net gain of 3,365 jobs in 1958 to a net loss of 2,906 jobs in 1962. This represents a total loss of 6,271 jobs between 1958 and 1962 as a result of the adverse developments in foreign trade of the products of the 23-industry group.

The 6,271 jobs lost to the 23 industries from adverse developments in foreign trade represent a lost opportunity for employment of the poverty stricken. Though the extent of the loss is about half that in the 22-industry group, it is large enough to be of real importance in winning the war on poverty.

When these production worker job losses are augmented by the supporting and service industry jobs which their creation would generate, the total loss stemming from the impact of foreign trade on the 23-industry group is 10,347. This is more jobs lost to the poverty stricken than the administration sought to create through title IV of the war on poverty bill.

These jobs might have been reserved for the poverty stricken. Instead, they were exported to be filled in the acutely labor-short producing areas of Europe and Japan. This need not occur. Given an understanding of the problem, and the importance of these job opportunities for the Nations' poverty stricken, the beginning of policy formation for a reasonable regulation of the rate of growth in imports to control these losses can take place. The need is acute here; nonexistent in the industrial countries abroad.

#### EMPLOYMENT EFFECTS OF FOREIGN TRADE ON A MIXED GROUP OF INDUSTRIES, ATYPICAL OF THE PRECEDING GROUPS, WITH POTENTIAL FOR EMPLOYMENT OF THE POVERTY STRICKEN

Three industry groups with substantial foreign trade, and responsive to four or five of the tests proposed by the Secretary of Commerce to identify potential employers of the poverty stricken have been separated from the 22- and 23-industry groups previously discussed.

For one, included in the 83-industry group selected by the Commerce Department, foreign trade data could not be correlated without joining to it a separate industry not included among the 83. These combined industries thus belonged neither with the 22- nor the 23-industry group.

Another industry, also included among the 83, accounted for such a large proportion of the exports of the group of industries out of the 83 for which im-

port-export data had been correlated by the Bureau of the Census that its inclusion in the group would have introduced a bias seriously distorting analysis of the average situation of the industries in the group.

These three industries were therefore separated from the other groups for independent analysis.

This three-industry group is less dynamic in employment and output than the average of all manufacturing. It is, however, considerably more dynamic than all manufacturing in capital expenditures on both an absolute and a per worker basis. This has yielded a higher rate of increase in productivity per worker for the three than for all manufacturing. The data in table IV, appendix, pertaining to this three-industry group may be summarized as follows:

First. Employment increased, 1958 to 1962, at the nominal average rate of 0.5 percent per year. This is above the 0.1 percent rate of growth for the 23-industry group. It is, however, below the 1.2 percent annual rate of increase for all manufacturing, and sharply below the 3.5 percent annual rate for the 22-industry group.

Second. Shipments rose, in value, an average of 4.6 percent per year, almost identical with the growth rate for the 23-industry group. This rate is below the average of all manufacturing at 5.2 percent, and well below the growth rate for shipments by the prime 22-industry group, at 7 percent per year.

Third. Value added by manufacture increased an average of 4.7 percent per year, below the growth rate of all the other groups. These ranged upward as follows: The 23-industry group, by 5.2 percent; the average of all manufacturing, 6.2 percent; and the prime 22-industry group, 7.4 percent per year. Value added per production worker, the main productivity index, rose for the 3-industry group an average of 6.2 percent per year—above the rate of increase in productivity for all the other groups. They rose at the following rates: The 22-industry group, by an average of 4.3 percent per year; the 23-industry group, 4.8 percent; and the average of all manufacturing, 5.1 percent. Thus, the 3-industry group's increased output coupled with its lower rate of growth in employment yielded the highest per worker productivity rise.

Fourth. Capital expenditures by the 3-industry group contributed importantly to this rise in per worker productivity. For the period 1958 to 1962, the 3-industry group increased its capital expenditures at the average annual rate of 11.6 percent, ahead of the 11.2-percent rate for the 23-industry group, the 10.4-percent rate of the prime 22-industry group, and sharply ahead of the 2.6-percent average rate of increase for the all manufacturing group. Capital expenditures per worker by the 3-industry group rose an average of 14.5 percent yearly, 1958 to 1962. This was far ahead of the 10.8-percent rate of the 23-industry group, the 6.6-percent rate of the 22-industry group, and the 1.7 percent rate for all manufacturing.



Fifth. Earnings per production worker rose an average of 4.1 percent per year in the three-industry group, above the performance of all the other groups. All manufacturing annual production worker earnings rose an average of 3.5 percent per year; those of the 23-industry group, 3.3 percent; and the 22-industry group by 2.7 percent. The larger influx of new workers in the more rapid growth in employment in the latter groups undoubtedly influenced these average per worker earnings figures. In view of the stable employment situation in the three-industry group, the 4.1 percent average annual rate of increase in worker earnings indicates exceptional participation by the workers in the increased sales of the industry.

Sixth. The gross earnings of the three-industry group, measured by the difference between the value of shipments and the sum of payroll and materials costs, increased an average 6.4 percent per year. This was below the rate of increase experienced by the other industry groups. The prime 22-industry group was greatest, at an average 8.6 percent per year, and all manufacturing next at 7.5 percent followed by the 23-industry group at 7.2 percent. The higher rate of increase in capital expenditures and of employee payments by the three-industry group contributed to some extent to the lower gross earnings performance.

Seventh. The labor intensity of the output of the three-industry group was, on the average, 32.9 percent of the value of shipments in 1962—down from 35.5 percent in 1958. This 8-percent decline in the labor content of the group's products is due to the large increase in capital expenditures and in the productivity of its workers. None of the other groups experienced such a marked reduction in the labor content of their products. All manufacturing reduced the labor cost portion of the value of shipments less than one-half of 1 percent, 1958 to 1962; the 22-industry group, by slightly over 2 percent; and the 23-industry group by 3.5 percent.

From this analysis, it is evident that the three-industry group achieved exceptional productivity rises with the help of above-average capital expenditures. Demand was too weak, in the face of this increased production efficiency, to result in output calling for any significant increase in the work force. Under stable employment conditions the exceptional improvement in productivity brought about a sharp reduction in the proportion of the value of shipments represented by labor costs.

The three-industry group retained at the end of the period, however, a major disadvantage from the point of view of foreign trade in the residual high labor intensity of product. The foreign trade experience of this group of industries reflects to a degree the competitive handicap of the difference in domestic and foreign wage costs in a labor-intensive product category.

The sharp increase in productivity and the sharp decline in the labor intensity of product represent mitigating factors which manifested themselves in the in-

dustry group's export experience. The export experience was significantly influenced by heavy U.S. foreign aid expenditures for textile machinery for shipment to underdeveloped countries.—As of June 30, 1963, project expenditures on textile machinery for countries of the Near East, South Asia, and the Far East during the period 1955–63 totaled \$6.2 billion; nonproject expenditures for textile machinery for export to such areas totaled \$66.5 million. In fiscal year 1963, 44 percent of AID expenditures for textile machinery were made in the United States. Source: Agency for International Development.

From the data presented in table IV, appendix, the key aspects of the foreign trade experience of the three-industry group are summarized, as follows:

First. Imports of products competitive with the output of the three-industry group increased at an average rate of 28.1 percent per year, 1958–62. This is double the rate of the increased imports affecting the 23-industry group, at 14.4 percent, and triple the rate of increased imports of all manufactures, at 9.2 percent per year. It is also well above the 19.6 percent average rate of increased imports in the 22-industry group.

The strength of domestic demand increased in the 3-industry product group at virtually the same rate as in the 23-industry group, but below that for all manufacturing. Yet the imports of the products competitive with the three-industry group rose sharply at double the rate of increase of the 23-industry group. The higher labor intensity of the products of the three in comparison with the 23 provides a partial explanation of the swifter import rise.

Second. Exports by the three-industry group also increased at a recordbreaking pace. The average rate of increase was 17 percent per year, 1958–62, compared with a 2.4 percent rate for the 23-industry group, 2.8 percent for the 22-industry group, and 4.8 percent for all manufacturing as a whole. Foreign aid expenditures for textile machinery, one of the three industries, chiefly explains this strong export rise, as previously noted.

Third. The balance of trade in the products of the three industries rose irregularly, 1958 through 1961, from \$28.7 million to \$43.1 million, then dropped off sharply to \$7.9 million in 1962. The drop in the trade balance, 1962 compared with 1958, was 72.5 percent from 1961 to 1962, 81.7 percent.

Fourth. The important share of apparent domestic consumption rose steadily during the period 1958 to 1962, increasing at the average rate of 21 percent. This sharply contrasts with the average rate of import penetration of 10 percent per year for the 22-industry group, 8.6 percent for the 23-industry group, and 3.3 percent per year for all manufacturing as a whole. The export portion of the total shipments by the three-industry group fluctuated during the period, increasing on the average by the rate of 1.1 percent per year.—Chart omitted from the RECORD.

Because of the strong foreign aid subsidization of exports of textile machinery, the experience of the three-industry

group is not representative of the participation in the export trade which a labor-intensive U.S. industry with similar economic characteristics would normally attain. Even with such governmental assistance for its exports, however, the group's net experience with foreign trade has been decidedly adverse.

The employment implications of the foreign trade trends for the group of three industries are quite serious. Like those affecting the 22- and 23-industry groups, they constitute a significant deterrent to the creation of jobs for poverty-stricken, unemployed persons of low skill levels in labor-intensive industries. From the foreign trade data shown on table IV, they may be summarized as follows:

First. The employment equivalent of imports, measured by converting cost, insurance, and freight import values at output per worker ratios, increased from 4,355 jobs in 1958 to 9,555 jobs in 1962—an average increase of 21.9 percent per year. This is the sharpest job loss rate of any of the groups: that for the 22-industry group averaged 16.7 percent per year; the 23-industry group, 9.6 percent; and all manufacturing, 4.8 percent per year during the same period.

Second. The employment equivalent of exports, measured by converting export values at output per worker ratios, increased from 5,705 jobs in 1958 to 7,062 jobs in 1962—an average rate of increase of 6.2 percent per year. This atypical export performance, influenced by heavy foreign aid expenditures, contrasts sharply with the 0.8-percent rate of increase for all manufacturing, the 1.7-percent rate of decline for the 23-industry group, and the 1.5-percent rate of decline for the 22-industry group.

Third. The net employment potential due to foreign trade of the 3-industry group changed from a net gain of 1,350 jobs in 1958 to a net loss of 2,493 jobs in 1962. This represents a total loss of 3,843 jobs between 1958 and 1962 as a result of the adverse developments in foreign trade of the products of the 3-industry group.

These 3,843 jobs lost to the three industries from adverse developments in foreign trade must be added to the lost opportunities for employment of the poverty-stricken previously discussed. Though smaller than the losses sustained in the 22 and 23 industry groups, these employment positions transferred to foreign industry could have been held in America for the benefit of our long-term unemployed.

When augmented by the indirect jobs of supporting and service industry personnel which their creation would have called into being, the total loss from adverse foreign trade balances in the products of the three-industry group amounts to 6,341 potential jobs.

#### SUMMARY OF THE FOREIGN TRADE DEVELOPMENTS AFFECTING THE INDUSTRY GROUPS WITH SPECIAL POTENTIAL FOR EMPLOYING THE POVERTY-STRICKEN

The three groups of industries analyzed in preceding sections of this study respond to the principal criteria which tend to identify those industries particularly capable of providing employment



for low-skilled or untrained workers. This is the class of worker victimized by long-term unemployment and its economic blight in depressed areas.

Because these industries are labor intensive—that is, their products require a relatively high input of direct labor in production, they may be especially sensitive to foreign competition. Since wage rates abroad are uniformly lower—by decisive margins—than in the United States, foreign industries with comparable plants, equipment, and technology as American industries often have significantly lower costs than their U.S. competitors.

The rebuilding of plants, and the re-equipping of factories in Europe and Japan after World War II have frequently brought foreign manufacturing establishments to a more efficient state of unit labor productivity than like establishments in the United States. It is sensible and factual, therefore, when considering the potential as employers of the poor of domestic industries which are highly labor intensive in their operations, to consider the impact of foreign trade developments on the operations and potential of such industries.

In the war on poverty, it is agreed that the creation of new job opportunities, as quickly as possible, for the employable persons among the poverty stricken is essential. Correctly the Government is looking to particular kinds of industries to provide such employment. They have not provided the desired number of jobs heretofore. To do so in the future will require some change in the economic circumstances of these industries.

These industries are in a fluid economic situation. Government policies leading in the direction of expansion can be helped, neutralized, or undermined by other forces. Foreign trade is one of these potentially helpful—or harmful—forces. The exact potential, and its magnitude, must be ascertained. Once known, policy can be made which responds with realism to the actual situation of these potential employers of the poverty stricken.

The foreign trade developments affecting these industries have been discussed as part of each industry group's analysis. By considering the principal economic forces at work on these groups—each significantly different from the others—these foreign trade developments can be placed into proper perspective.

From this analysis, it has been indicated that job losses in the United States can and do occur from adverse foreign trade balances whether demand within the domestic market for the products concerned is strong or weak.

As industries boost their productivity per worker by a high rate of capital expenditures, they may become more competitive with imports, and in export markets. In none of the three groups, with their differing economic characteristics, however, did the increase in productivity keep imports of labor-intensive products within the range of the average rate of growth in domestic demand for manufactured products. Increased productivity appears to sustain moderate in-

creases in exports of labor-intensive manufactured articles, but it does not keep import rises within an equally moderate rate of growth.

So long as the industries are labor intensive, regardless of the relative strength of demand, imports increase more swiftly than either domestic or export demand. The consequence is inevitable: The U.S. balance of trade in such products changes adversely. The net loss of trade subtracts employment here, and adds it abroad for the production of the increased flow of foreign goods into the U.S. market.

The implications of these developments for the labor-intensive domestic industries which comprise the groups able to contribute to new employment opportunities for the poverty stricken appear grave.

This shift in the U.S. balance of trade in labor-intensive manufactures is shown by the following summary of U.S. foreign trade in the products of the three industry groups analyzed in this study:

(Dollar amounts in millions)

| Products of industry group | 1958    | 1962    | Percent change |
|----------------------------|---------|---------|----------------|
| U.S. imports:              |         |         |                |
| 22 industries.....         | \$216.6 | \$419.8 | -----          |
| 23 industries.....         | 198.7   | 335.5   | -----          |
| 3 industries.....          | 49.9    | 132.8   | -----          |
| Total.....                 | 465.2   | 888.1   | +90.9          |
| U.S. exports:              |         |         |                |
| 22 industries.....         | 252.4   | 281.8   | -----          |
| 23 industries.....         | 307.0   | 335.7   | -----          |
| 3 industries.....          | 78.6    | 140.7   | -----          |
| Total.....                 | 638.0   | 758.2   | +18.8          |
| U.S. balance of trade:     |         |         |                |
| 22 industries.....         | +35.8   | -138.0  | -----          |
| 23 industries.....         | +108.3  | +2      | -----          |
| 3 industries.....          | +28.7   | +7.9    | -----          |
| Total.....                 | +172.8  | -129.9  | -175.2         |

The growth in imports is more than quadruple the growth in exports. The trade balance has quickly—and permanently—swung into a deficit, which is worsening at a rapid rate.

The combination of forces—loss of exports and swift increase of imports—means loss of domestic output and employment. The trend is so gross, and so persistent, as to be unmistakable.—Chart omitted from the RECORD.

#### SUMMARY OF THE EMPLOYMENT EFFECTS OF FOREIGN TRADE IN THE INDUSTRY GROUPS WITH SPECIAL POTENTIAL FOR EMPLOYING THE POVERTY STRICKEN

Three Government programs—two in being and one proposed—are directed toward the creation of new jobs for the long-term unemployed in economically retarded areas. These programs are based upon Federal loans to stimulate expansion of activity in industries located in areas and with employee entrance requirements likely to result in new jobs for members of poor families.

The Area Redevelopment Administration and the Small Business Administration have spent \$110.5 million in an effort to create an estimated 45,079 jobs in industrial facilities in such areas since their programs began—annual report of the Area Redevelopment Administration, 1963, pages 5, 15; Small Business Admin-

istration, press release, SBA 1598, May 1, 1964. Title IV of the war on poverty bill would seek to create 10,000 jobs with the aid of \$36 million. Adverse trends in foreign trade in labor-intensive manufactures can substantially erase the benefit to the hard-pressed areas of unemployment where these jobs are being created.

The 10,000-job goal of the war-on-poverty bill and the 45,079-job achievement of the 2 Government agencies present realistic measures with which to appraise the significance of job gains or losses from foreign trade in the industry groups most likely to employ the poverty stricken.

The following summary presents the indicated gains and losses in employment in these industry groups:

| Products of industry group                         | 1958   | 1962    | Change 1958-62 | Percent change |
|----------------------------------------------------|--------|---------|----------------|----------------|
| Losses in employment due to imports:               |        |         |                |                |
| 22 industries.....                                 | 13,567 | 23,752  | 10,185         | -----          |
| 23 industries.....                                 | 12,070 | 17,213  | 5,143          | -----          |
| 3 industries.....                                  | 4,355  | 9,555   | 5,200          | -----          |
| Total.....                                         | 29,992 | 50,520  | 20,528         | +68.4          |
| Gains in employment due to exports:                |        |         |                |                |
| 22 industries.....                                 | 13,617 | 12,742  | -875           | -----          |
| 23 industries.....                                 | 15,435 | 14,307  | -1,128         | -----          |
| 3 industries.....                                  | 5,705  | 7,062   | +1,357         | -----          |
| Total.....                                         | 34,757 | 34,111  | -646           | -1.9           |
| Net gain or loss of employment from foreign trade: |        |         |                |                |
| 22 industries.....                                 | +50    | -11,010 | -11,060        | -----          |
| 23 industries.....                                 | +3,365 | -2,906  | -6,271         | -----          |
| 3 industries.....                                  | +1,350 | -2,493  | -3,843         | -----          |
| Total.....                                         | +4,765 | -16,409 | -21,174        | -444.4         |

The net loss of jobs of 21,174 represents the number of potential jobs lost as a result of the deterioration of our foreign trade balances in the products of the labor-intensive industries included in the three groups.

The 21,174 jobs are the direct loss of production workers. The nonproduction workers in the same industries, and the supporting and service industry workers called into action as a result of the new production jobs add 65 indirect jobs for every 100 direct jobs gained or lost—annual report of the Area Redevelopment Administration, 1963, page 5. The 21,174 loss figure should thus be expanded by 65 percent to 34,937.

These three groups do not include all of the industries possessed of the high proportion of blue collar workers in manufacturing operations characterized by a high labor content which make the most likely source for jobs for the poor of the Nation. Rather, they are a sample comprised of those particular industries for which it was possible to make a correlation of export and import data with domestic output.

The job loss for these three groups of industries should, therefore, be projected on the basis that it represents 30 percent of the total loss. Employment in the 48 industries in the three groups represents 30 percent of the total group of industries of which they are representative. So projected, the 34,937 loss becomes a total loss of job potential due to foreign trade



in labor-intensive industries of 116,460 workers.

Three tests have been identified by which to measure the significance of job losses in the kinds of industry analyzed in this study, so far as the war on poverty is concerned. The administration sought a 10,000-job gain through title IV of the war on poverty bill. The Area Redevelopment Administration and the Small Business Administration separately have directed their programs to a 20,000-job gain objective. Together they have created some 45,000 jobs, during the entire life of their programs.

Whether 10,000, 20,000, or 45,000 is used as the test, the loss of job potential as a result of adverse foreign trade developments in these industries where the greatest potential for helping the poverty stricken exists equals or exceeds every test.

The Nation's foreign economic policy is unresponsive to the realities of the employment needs of the Nation's poor. It is insensitive to the job losses resulting from adverse trade balances in the labor-intensive products of the potential employers of the poor. As presently conceived, the Nation's foreign economic policy is neutralizing the effectiveness of other Governmental policies and programs for helping the jobless.

Indeed, the foreign trade developments identified in this study are an absolute barrier to the achievement by the Government of the gains in jobs for the poverty stricken which are essential to victory in the war on poverty.—Chart omitted from the RECORD.

**SUMMARY AND CONCLUSION: THE POLICY IMPLICATIONS OF THE IMPACT OF FOREIGN TRADE ON INDUSTRIES WITH POTENTIAL FOR PROVIDING EMPLOYMENT FOR THE NATION'S POVERTY STRICKEN**

This study establishes the following facts:

First. The industries with the greatest potential for providing jobs for the poverty stricken are, on the average, experiencing markedly adverse foreign trade trends.

Second. These trends consist of exceptionally swift increases in imports, and absolute or relative declines in exports.

Third. These trends exist both in industry groups characterized by vigorous growth and strong domestic demand, and in groups limited in growth by slack domestic demand.

Fourth. As shown by an analysis of the geographic distribution of employment in the 22-industry group, these industries are favorably located with respect to the chronically depressed areas in which the Nation's poor reside—compare table VI, appendix.

Fifth. In each of the groups of industries studied, job-creating potential is being sharply reduced by a rapid and disproportionate increase in the share of domestic consumption supplied by imports and by a decline in the proportion of the output of these industries which is exported.

Sixth. The transfer of an increasing share of the domestic market for the products of such industries to imports and of their export trade to foreign producers represents an absolute loss of out-

put which the domestic industry groups would have supplied but for the increased foreign supply. This loss of domestic output to foreign suppliers necessarily involves a loss of actual or potential jobs in the U.S. industries sustaining such foreign trade impact.

Seventh. This shift in the foreign trade of the products of these industries between 1958 and 1962 involved a direct loss of 21,174 production workers in 48 industries, and an indirect loss of an additional 13,763 white collar and service industry workers.

Eighth. This total loss of 34,937 jobs directly and indirectly related to foreign trade developments in the 48 industries is equal to over 3 times the number of jobs the Government hopes to create in industry through title IV of the war on poverty bill. It is equal to 78 percent of all new jobs created in industry in the entire life of the area redevelopment program and the local development company loan program of the Small Business Administration. In magnitude the foreign trade job loss substantially eliminates the benefit to the economy of these job-creating incentive programs.

Ninth. The 3 groups of industries comprising the 48 industries studied are representative of a total of 152 labor-intensive industries capable of providing employment for the poverty-stricken. On the basis of the results in the 48, taken as a random sample, the total group of 152 industries sustained a loss, directly and indirectly, of 116,460 workers due to adverse developments in foreign trade between 1958 and 1962.

Tenth. Whether the job loss be taken as 21,174, or 34,937, or 116,460, the consequences for the war on poverty are clear. The Nation cannot succeed in eliminating or substantially reducing the long-term unemployment problem of the poverty stricken if the total job potential of incentive programs for the creation of new employment for the poverty stricken is destroyed by adverse developments in foreign trade.

Eleventh. The job-creating objectives of the war on poverty for the reduction of long-term unemployment among the poverty stricken are threatened with clear and overwhelming defeat under existing foreign trade trends affecting the industry groups which are the Nation's best hope for providing such jobs.

The foregoing facts pose the following policy issues:

First. Should not the product categories of these labor-intensive groups be reserved from further reductions in duty in the trade agreement negotiations now in progress?

The proposed 50-percent linear reduction in industrial duties which the U.S. Government is seeking in trade agreement negotiations under GATT would accelerate the adverse foreign trade trends referred to above.

Neither the Tariff Commission nor the Office of the Special Representative for Trade Negotiations is required under the Trade Expansion Act to evaluate the probable economic effects of such a reduction in duty in terms which would identify the above-described loss of job

potential for the guidance of the President.

Unless, therefore, the attention of the President is drawn to this problem, he will not have an opportunity to use his authority under section 225(c) of the Trade Expansion Act to reserve the product categories of the labor-intensive groups of industries analyzed in this study from further tariff reductions.

Second. Should not action be taken by the United States to limit imports of all articles in the product categories of these labor-intensive groups to the extent of restoring to the domestic industry the output lost to imports since 1958?

As a result of an adverse shift of \$302.7 million in the balance of trade in the products of the 3 industry groups, the Nation sustained a loss of 34,937 jobs. The increase in imports of articles competitive with the products of these industry groups between 1958 and 1962 equaled \$422.9 million.

A limitation of imports to an amount 25.8 percent above the 1958 level would restore to these domestic industry groups the output potential lost to foreign producers during the period 1958-62. This restoration would result in an increase in employment in the approximate amount of the 34,937 job loss referred to above.

The reduction in imports required would be \$302.7 million, equivalent to only 9.2 percent of the increase in imports in all manufactures between 1958 and 1962.

The tariff adjustment authority of the Trade Expansion Act is limited to the correction of "serious injury" to a domestic industry. The condition precedent to the use of the authority is a determination by the Tariff Commission that increased imports, caused in major part by a tariff concession, are the major cause of such "serious injury."

This "serious injury" test is wholly inapplicable to the situation presented in this study in which actual and potential jobs, urgently required for the Nation in behalf of its poverty stricken, are being lost due to adverse foreign trade trends. Loss of jobs or job potential in industries capable of providing employment for the poverty stricken is the test required here—not serious injury to the industries concerned.

In the principal industry group discussed above, that of the 22 industries, a "serious injury" determination is out of the question. Is the Nation to be helpless to regulate its foreign trade so as to serve the needs of its poor?

The President has emphasized that no economic objective is of greater importance than winning the war on poverty. If jobs are to be created in the requisite numbers to provide employment for the poverty stricken, major job losses in the industries which must provide that employment must be halted. These job losses occur in the foreign trade area. The action required must be taken in that area.

Since the President lacks the authority to act, action should be taken by the Congress to authorize the limitation of imports in a manner and to the extent necessary to prevent the loss of jobs,



actual and potential, for the poverty stricken.

**INCENTIVE: OIL IMPORT CURE SHOULD GET GREEN LIGHT AS PART OF APPALACHIA PROGRAM**

Now that President Johnson's multibillion-dollar Appalachia bill has been introduced and accorded a warm bipartisan welcome in Congress, it would seem a fair assumption that everybody officially involved would be equally interested in a practicable means of assisting much of the Appalachian area that wouldn't cost the Government a dime.

The plan is simplicity itself—open the domestic market to more coal, the great basic industry of the Appalachian region, by cutting down on the amount of imported residual fuel oil.

In a timely letter to Chairman WILBUR D. MILLS, of the House Ways and Means Committee, Joseph E. Moody, president of National Coal Policy Conference, Inc., points out that "coal is the most important indigenous industry and resource in Appalachia," that the mining and transportation of coal "produce more jobs and generate more consumer spending power than any other industrial activity in coal areas," and that therefore "expansion of coal production will mean more jobs now, not at some indefinite time in the future after the expenditure of hundreds of millions of dollars by the Government."

It is a matter of common knowledge that imported residual is, as Moody puts it, "the largest single obstacle to expanded markets for Appalachian coal." This is so because it is a byproduct of oil refining, and can be and is sold at whatever price is necessary to undercut the competition. Thus in its historic east coast market, coal is no real competitor. Its only salvation lies in limiting the amount of residual that can be brought into the country.

The industry had hoped that the imposition of mandatory import controls by Presidential decree undertaken in 1959 would provide the necessary measure of protection. Unfortunately, progressive increases in the import quota—the latest of which was but recently announced by Secretary Udall—have, in Mr. Moody's words, "vitiating the good intentions of the program." Therefore legislation has been introduced that would limit residual imports by law to 50 percent of consumption. This is the legislation, supported in writing by 170 Members of the House of Representatives, on which Mr. Moody requests Senator MILLS to begin immediate hearings.

This, it would seem, is not too much to ask of a Congress apparently eager to inaugurate a costly program designed to bring an end to "despair and hopelessness" in the 10-State Appalachian area. It is a supplementary measure which should appeal with particular force to the official sponsor of the President's Appalachia bill, Senator JENNINGS RANDOLPH, of West Virginia, who is no stranger to the problem posed by the undercutting competition of imported fuel.

[From Morgantown (W. Va.) Dominion-News, May 11, 1964]

**EVER BESET BY ENEMIES, OFTEN BETRAYED BY FRIENDS: COAL POURS HALF BILLION INTO STATE**

(By Bill Hart)

Coal—ever beset by its powerful enemies, often betrayed by some of its friends—pours more than a half billion dollars yearly into the economy of West Virginia accounting for approximately one-fourth of the total income from coal for the Nation. These findings are the result of a survey made by Operations and

Policy Research, Inc., of Washington, D.C., at the request of the National Coal Association, National Coal Policy Conference, Inc., and the United Mine Workers of America. Specifically, according to the report, coal means annually in West Virginia \$541,608,506 and directly affects the economy of 35 of our 55 counties. In the seven-State area, covered by the coal report, the industry provides \$2,290 million.

Imports of residual oil, now currently running at a rate of 210 million barrels annually, or the equivalent of 50 million tons of coal annually—much of it taken from the northern West Virginia coal output—is one of the major obstacles to a normal prosperity in many of the coal fields including Monongalia and other northern West Virginia coalfields. For more than a decade, the Dominion-News, in stories and editorials, has tried to arouse sufficient public support to cause the residual oil imports to be restricted to a reasonable quantity permitting the coal industry in West Virginia in particular to have a medium of prosperity.

In 1963, under the prodding of numerous friends of coal, 180 Members of Congress signed a resolution proposing legislation to take away the Presidential powers involving residual oil quotas as they affected the coal industry. U.S. Senator JENNINGS RANDOLPH, of West Virginia, led this fight in informing the late President Kennedy personally and by letter that if residual oil quotas continued to mount he would be forced to join with other Members of Congress in passing legislation taking this power away from the Chief Executive.

Residual oil quotas have steadily mounted under three President, Truman, Eisenhower, and Kennedy showing that the political affiliation of the Chief Executive has little influence on the problem since the powerful oil interests and others have usually been able to provide a "synthetic scarcity of heating oil along the eastern seaboard at the height of the heating season" which has resulted in additional lifting of residual oil quotas.

What position President Johnson is going to take remains to be seen, but informed sources in the coal industry do not expect him to act other than his predecessors. If this be the case, coal's friends, and the legions seem to be growing in the face of the now obvious threat to economy in West Virginia and other coal-producing States to continue the work done last year in Congress leading to eventual enactment of law restricting the Presidential power.

Coal's greatest customer at this time—and perhaps for all predictable time to come—is in the generation of electric power and it is in this field that the greatest danger to the prosperity of coal rests in the building of generating plants capable of burning this waste product from foreign oil refineries—residual oil.

In the past 3 or 4 years, however, the coal industry, finally aware of the great danger—for years as an industry it did little or nothing as the residual oil imports grew—has formed a number of agencies the chief ones being the new belligerency of the National Coal Association, the National Coal Policy Conference, Inc., and the creation within the bosom of the United Mine Workers of America by John L. Lewis, before he retired as its president, a bureau of marketing and research and placed as its director the astute and knowledgeable Michael Widman whose research and production of facts in behalf of coal is one of the main reasons the report on what coal means to the economy of our State and sister States is now a matter of record.

**HOW COAL WAGES ARE SPENT IN WEST VIRGINIA**

Food: \$76,304,825.  
Housing: \$73,860,898.  
Wages: <sup>1</sup>\$271,547,420.  
Paid for:  
Services and supplies: \$236,110,664.  
Taxes (other than Federal corporate taxes): \$33,950,422.  
Apparel: \$21,995,341.  
Transportation: \$31,771,048.  
Medical care: \$15,749,750.  
Recreation: \$14,935,108.  
Personal care: \$6,245,591.  
Other goods and services: \$30,684,858.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, we have before us today legislation that has been termed many things. As we look at the poverty that is before us today, I will say that this legislation is reactionary. It brings us back to the days of the thirties as though we were in a depression again. The same solutions to the problems that are advocated here in this legislation are the solutions that were tried and in most cases found wanting in the thirties.

I will cite title III, for example. It was unacceptable. Everybody knew it. But yet because of a poverty of ideas, this was all that was suggested for rural America. It certainly was realized in the other body and here today that for corporations to set up land reform and grants in the way set out in title III was unacceptable and now it is going to be dropped.

The Democrats on the House Committee on Education and Labor would not listen to those of us in the minority but blindly followed the idea boys who recommended this to the President. Now to gain votes the most controversial part of title III will be dropped—nothing seems to be done on merit, but rather is purely politically motivated whenever the majority acts.

Title III is going to be dropped in the substitute which will be offered by the gentleman from Georgia. If one wants some good reading about a rural poverty program similar to the one advocated in title III prior to the change, all he need do is get hold of the study which was made in 1941, entitled "Activities of the Farm Security Administration," a report of the select committee of the House Committee on Agriculture to investigate the activities of the Farm Security Administration. This was under the chairmanship of the now chairman of the House Committee on Agriculture,

<sup>1</sup> Coal wages include wages for coal miners, railroad workers engaged in transportation of coal, and workers employed in the manufacture of mining equipment. These expenditures calculated in accordance with Bureau of Labor Statistics formula.



the gentleman from North Carolina [Mr. COOLEY].

I should like to read a few words from the conclusion of that select committee:

The committee is of the opinion that \* \* \* that agency has not been wisely administered and has been used as an experiment station of un-American ideas and economic and social theories of little or questionable value.

There is no better description of what was proposed in title III than those words used in the conclusion of the committee which studied the Farm Security Administration.

When it is stated that grants are dropped in title III, this is not entirely correct. The changes have not been made the extent we thought they had been made. Even though it is stated that no grant will be provided, loans will be provided. If we will look at section 602, subsection (1) we find that the Director is to be given the authority to compromise all obligations to him; and, therefore, even though aid is in the form of loans, it reminds me very much of the old nonreimbursable loans which were suggested last year on another package. Compromise in that subsection means the Director can forgive the loans in title III and title IV of the bill. These are some of the unforeseen things that can happen if this legislation is passed without further study.

The Farmers Home Administration has been in the business of assisting our low-income farmers for quite a while. Now annually the Farmers Home Administration utilizes \$327.5 million in direct loans to low-income families, and 90 percent of these loans are to farmers who have less than \$3,000 annual income. You see, already we are engaged in the business of assisting low-income farmers.

The \$35 million to be provided under title III could best be used merely by adding it to the present authority of the Farmers Home Administration.

Although during this election year the Democrats have suddenly begun wringing their hands over the plight of the poverty-stricken farmers, the farmers themselves have been quietly improving their own lot through self-reliance, initiative, and the helping hand of the Farmers Home Administration. In the 10-year period from 1953 to 1962, the number of farmers with a family personal income of less than \$3,000 has declined almost 40 percent. The exact breakdown is this:

| <i>Farm operator families with family personal income of less than \$3,000</i> |           |
|--------------------------------------------------------------------------------|-----------|
| 1953-----                                                                      | 2,694,000 |
| 1954-----                                                                      | 2,656,000 |
| 1955-----                                                                      | 2,572,000 |
| 1956-----                                                                      | 2,452,000 |
| 1957-----                                                                      | 2,338,000 |
| 1958-----                                                                      | 2,066,000 |
| 1959-----                                                                      | 2,152,000 |
| 1960 (including Alaska and Hawaii)-----                                        | 1,973,000 |
| 1961 (including Alaska and Hawaii)-----                                        | 1,825,000 |
| 1962 (including Alaska and Hawaii)-----                                        | 1,667,000 |

So much for title III. At least it is less obnoxious now.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I should like to call attention to the fact that the bill passed by the Senate does drop any reference to grants, but instead institutes two kinds of loans. One apparently is to be reimbursable—at least there is an indication they are to be reimbursable—and the other has no indication as to if or when.

When the Secretary of Agriculture testified before our committee he said:

The grant is the thing that makes the difference. Without the grant he would not have the capital resources to repay any loan and you could not make any loan.

To my mind this seems to be a clear indication that, so far as what they were trying to prove by this rural program, the grants were the key part of the breaking of the cycle of rural poverty.

Elimination of the grants, at least according to Secretary Freeman, seems to be a process of eliminating the advisability of this kind of program.

Mr. QUIE. The gentleman is correct. The committee has gone against all of the advice it received in the testimony by those in favor of this bill. I believe it was the part of wisdom to drop the parts of title III which they did.

Let us look at the whole question of poverty in this country.

As mentioned by the gentleman from California, in the 1930's, when his father was the President, there were at least one-third of the people ill clothed, ill housed, and ill fed. Indeed, we find from the statistics given by the Census Bureau that in 1929, using 1962 dollars as a standard, more than 50 percent of American families had an annual income of less than \$3,000. By 1947, this figure had fallen to 30 percent. During the Eisenhower administration, this dropped to 21 percent, and now it is stated that 20 percent of the people are in poverty.

I think we all recognize the fact that many of these programs which have been tried did not prove out. They did not bring people out of poverty. However, during the period of the Eisenhower administration we worked at seeing that the economy operated in an atmosphere where new jobs would be made available in the private sector of our economy. This happened, and people came up out of their poverty status.

If we want to correct poverty, I believe there are only two ways that we can do it. One is to see that the jobs are available; that the economy expands so that there are jobs for those who come into their employable years. Secondly, that we educate people and train them so that they can fill the jobs in modern day America.

The Department of Labor indicates that there are more jobs available today that are not being filled than there are unemployed. That means people who are unemployed do not have the skills to fill certain jobs which are not being filled. What can we do about it? We have already passed legislation in

the Manpower Retraining Act and in the vocational education bill. I think it would be much wiser if we utilized the money in this bill to expand those programs farther, if this was necessary, than to start new programs which have been tried before and found wanting.

Let us look at one problem that this bill does not attack. When you see young people who are not motivated, who are juvenile delinquents, who are unemployed, and who just do not have the ability or the desire to get ahead, we wonder how did this all happen. The studies that have been made by noted individuals who understand human behavior indicate that the root of the trouble is found in early childhood.

The Ford Foundation estimates that one out of three children in urban areas is culturally deprived. By 1970, half of the youngsters of our Nation's cities will be similarly disadvantaged. These children suffer from cumulative handicaps for which 2 years in a work camp at the age of 16 or 18 cannot compensate. According to Martin Deutsch of the Institute of Developmental Studies of New York Medical College, children from slum areas lack a sense of auditory discrimination. Assailed by the raucous noises of the city, they learn to "tune out" the rest of the world in self-defense. They learn not to concentrate in order to survive.

Lacking adult attention and companionship, they grow up in a nonvocal environment where they seldom hear human voices speaking to them. They cannot speak good English for they never hear it. Communication is largely by gesture, facial expressions, and monosyllabic sentences. Their attention span is short, for there are few tasks or experiences which demand full attention for long periods of time.

Their whole environment encourages physical action, not mental activity. There is no preparation for the abstract learning of the schoolroom. They lack motivation, for they have little to look forward to, and their parents, of whom only 10 percent have finished high school and 33 percent have completed elementary school, do not encourage them.

Planning is nonexistent and futile. Luck, not hard work and foresight, is emphasized, for it is the major factor in the lives of the adults of the community. Most of the children literally do not even understand the meaning of the word "work" or the place of jobs in our society. The fathers are often missing or unemployed and the family is on welfare. Those fathers who do work usually are unskilled laborers dependent on sporadic daywork.

An estimated 65 percent of the children studied by Dr. Deutsch have never been more than 25 blocks from home. Half have no pen, pencil, or paper in the home. The experiences we provide automatically for our own youngsters are lacking in the lives of these children. They see no books, magazines, pictures, drawings, or animals. No one reads childhood stories and poems to them. Their lives are not enriched by trips to the zoo, museum,



park, or even a modern department store. And we wonder why they cannot understand first-grade readers about Dick and Jane visiting Grandpa's farm. The experiences necessary for learning, understanding, and relating facts are almost totally lacking.

Most of the scholastic problems faced by the young people slated for volunteer work camps stem from this early childhood environment. In the sequence of development, a child first hears his parents speak and learns to listen to them and to understand words. Then he begins to speak in increasingly complex sentences. With this background of language skills, he learns to read and then to write. If the foundation is weak, the child may never become truly literate.

The deprived child is characterized by poor health, inadequate motivation, malnutrition, lack of cleanliness, lack of basic learning skills, and lack of social skills. He starts school behind his middle-class counterparts and drops farther behind each year. As Attorney General Robert Kennedy pointed out in his testimony before the Subcommittee on the War on Poverty Program, by the third grade, 30 percent of Harlem pupils are behind their grade level. By the sixth grade, the figure is 80 percent.

Early difficulty in school due to poor background develops a negative self-image in the child, leading to rebellion and acceptance of the values of the gang. This is accentuated by the slum child's unsupervised freedom to roam and to adopt peer group values. In the value system of the environment of underprivileged children, school is not worthwhile. They cannot succeed in overcoming their background and they see no benefit by doing well in school. They do poorly on IQ tests because of their lack of personal experiences and inability to read, and less effort is made to teach them because of their low test scores. Their apathy and indifference toward school is understandable.

In the words of Professor Deutsch:

Not only do they fall behind in the basic skills, such as reading and arithmetic, but they also respond minimally to the broader aspect of the function of the school: The instilling of a respect for knowledge, the fostering of the development of the cognitive skills necessary for acquiring knowledge, and that general function of equipping a child to live as a responsible citizen.

Yet this bill for "total commitment" against poverty ignores this vicious cycle caused by a poverty-breeding environment. Instead, we are trying to undo the results of years of neglect by 2 years of conservation work, or by programs directed at improving the lot of poverty-stricken adults, despite the admission of the Secretary of Health, Education, and Welfare Celebrezze that little can be done to reach the parents, who continue to pass their negative attitudes on to their children.

Dr. Urie Bronfenbrenner, of the National Advisory Council of the Institute of Child Health and Human Development, has advocated the establishment of day-care centers in deprived areas to provide scheduled programs of stimula-

tion and training for preschoolers. He has emphasized the relative ease of teaching and preparing these children at a young age rather than trying to undo the effects of their environment at the age of 16 or more. The truth of this assertion was borne out by the further testimony of Attorney General Kennedy concerning a project to reclaim teenage boys in which "for each success story, there are 10 examples of where only the surface has been scratched." Medical science has long ago demonstrated that prevention costs incalculably less than cure in terms of anguish, time, and money.

Robert J. Havighurst, noted child and educational psychologist, says that slum children suffer four different deprivations: First, affectional; second, intellectual; third, nutritional; and fourth, model person. Although attempts are made through school lunch programs and welfare benefits to correct the physical neglect of underprivileged children, little thought is given to other types of neglect. Through programs for very young children, the schools can provide for these needs of a disadvantaged child: development of an acceptable self-image, knowledge of nutrition and basic hygiene, self-confidence, motivation to achieve, experiences basic to the learning process, and socially acceptable male models. This must be done early, for studies have shown that by the fourth grade, school experiences have little influence on development of new attitudes of motivation and achievement in culturally deprived pupils.

In his final report, "Juvenile Delinquency Evaluation Project," in New York City, Prof. Robert M. MacIver declares:

The school's function is to educate, and where the family and the community fail to provide the social adjustment and the psychological development necessary to prepare the young to receive the education the school offers, it must step in to provide it within the area of its capacity. The school is in a peculiarly strategic position to perform such a preventive and rehabilitative function.

Several cities have instituted successful programs to aid culturally deprived children. Among them are Detroit, New York City, Baltimore, Boston, Philadelphia, Chicago, Houston, and New Haven, Conn. Although there are variations in each program, their general aim is to enrich the lives of youngsters who are ill-equipped to profit from the public school system. Tape-recorded stories, books, toys, blocks, and field trips are usually included to widen horizons and develop language skills. Order, beauty, and color are brought into the lives of children whose world is drab and unstimulating. Heavy emphasis is placed on liaison with parents, who often want an education for their children but feel alienated from the school. It is hoped that a more positive attitude toward the school will foster an interest in helping the child and encouraging him in his education.

I believe that special emphasis should be placed on this type of program as a vital part of title II. Here is a real opportunity for the Federal Government to work in partnership with the States and

local communities in developing a program beyond the traditional responsibilities of the public schools. We must acknowledge the limitations of our present educational system in dealing with children of deprived backgrounds. Only in this way can we really eliminate poverty from the American scene.

In the meantime, we cannot overlook the millions of children already in school who have been suffering from poor preparation and continual failure. Their hopes for success are dim in schools designed for middle-class values and problems, especially since most teachers in slum areas are sent there for disciplinary reasons or for lack of seniority. We need better teachers in slum areas, and we need more of them. Experts have estimated that 40 professionals, including classroom teachers, guidance counselors, reading improvement teachers, psychologists, and others are needed for every 1,000 average pupils. In areas of cultural deprivation, however, 70 or more are needed. Yet today in many deprived areas, schools lack even this minimum number of 40 per 1,000, doubtless because per pupil expenditures in slum areas are less than half that of more affluent suburban developments. To add to the problem, schools in deprived areas are characterized by rapid teacher turnover. For example, one class in New York had six teachers in one term.

One solution is a special corps of teachers trained to enter these poverty areas and teach the socially handicapped on a temporary basis. Good teachers can work miracles, while poor or uninterested ones cannot succeed at all. Most teachers lack the understanding, training, and special proficiency to teach in slum areas. Slow children are not necessarily stupid, but they respond to the attitude of the teacher and act accordingly. If the teacher thinks a child cannot learn, the child will prove him right.

This special corps must consist of teachers who are free of prejudices and preconceptions. They must feel and show respect for the individuality of the child. They must be dedicated to teaching with an awareness of the special circumstances surrounding their pupils.

I believe this special corps of teachers should be paid adequate salaries by the Federal Government and be made available to any school district which has a large number of poverty-stricken children, if such school districts desire to permit these teachers to spend a period of time in their schools. They should be available for a period of 1 to 3 years depending on the severity of the children's handicap. This will have the effect not only of greatly upgrading the education the children receive, but also of upgrading the teachers already in the system. The horizons of all in the community will be lifted. Such a program will provide no Federal assistance for teachers' salaries in the community but would surely provide the stimulus for upgrading which is greatly needed and would serve to break the vicious continuity which we find in many poverty-stricken areas and families today.

At present only three small courses in teachers' colleges make any effort to pre-



pare teachers to work with slum children. One exception is Hunter College in New York, which is doing an especially notable job in preparing young teachers to work specifically with deprived children. Special attention must be given to recruitment and training of teachers for the disadvantaged. The job must be given the prestige and importance it deserves.

The Federal Government presently assists in the training of teachers of the mentally or physically handicapped. I believe this training should be expanded to provide for assistance and special training of the socially and culturally handicapped. Not only are the areas which breed poverty not equipped with adequate teachers but sending good teachers from middle-class areas will not necessarily mean that such teachers are equipped to teach poverty-stricken children. I believe that teachers of poverty-stricken children require special training just as the teachers of the mentally retarded, the deaf, and the blind must have special training in order to reach their students.

Of course this is a long-range program, but there is no quick cure for the serious, festering disease of poverty, and we delude ourselves by adopting fast, seemingly easy panaceas that must eventually end in disillusionment.

Mr. PERKINS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. PUCINSKI].

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks.)

Mr. PUCINSKI. Mr. Chairman, we have now heard more than 4 hours of extremely interesting debate on this bill. Certainly I think many of the arguments have been valid and persuasive, but when you reduce this legislation down to its lowest denominator—and heaven knows it is a complicated bill—when you reduce it to its lowest denominator, it has one purpose and one purpose only. That purpose is to get people off of relief. You can read through all of the titles of this bill and you can argue about the programs, the plans, and the formulas, but you wind up with one conviction; namely, that the purpose of this legislation is to get people off of relief.

I think when every American, whether he be a Democrat, a Republican, or an independent, whether he comes from the big city or the farm, whether he comes from the North, the South, the East, or the West, when every American fully recognizes the purpose of this bill, he will say "amen." I say that because there is a Member in this House who does not have in his congressional district local, township, county, or State governments whose resources are not taxed beyond all ability because of the rising cost of public relief?

There is not one single government in America that has not felt the rising cost of public relief. Humanitarian as it may be, the public dole is extremely expensive. And so I submit that this legislation is a monument to President Johnson's courage and bold understanding of the problems of the small communities of America. I submit to my colleagues, those who are inclined to vote against

this bill, that when they vote against this legislation they are in effect voting for a continuation of the so-called welfare state.

What did our committee, what did the President intend when he proposed this legislation? He proposed to meet this great dilemma of our democracy, where, on the one hand, we have more people employed today than ever in the history of our country, a record prosperity—and yet, on the other hand, the dilemma we are faced with is that we have 4½ to 5 million unemployed.

The President quite properly recognized the fact that creating more jobs is not the only answer to getting these people into productive activity. There are tens of thousands of jobs begging today. Our committee has had all sorts of evidence to indicate that a vast number of these unfortunates who are unemployed today want to work, they want to enjoy the dignity of being employed. It is a fiction to believe that people are on relief because they do not want to work. But tragically—and there are volumes of testimony before our committee to prove this—many of these chronically unemployed people, some of them going into the third generation, are functionally unemployable. They are unprepared for employment. They are people who have come from the farms, people who are not used to urban life, people who are not equipped for urban occupations.

These are the people whom we are talking about. These are the people we attempt to help in this legislation.

Mr. Chairman, we in this country today are spending \$44 billion on all forms of welfare assistance. I say anybody who remains blind to these mounting figures is doing an injustice to his own community and to his country. There is not a Member who will refute the statement that next to the cost of public education, police and fire protection, the next single highest item in every community's public budget is general relief. This legislation is designed to make these people employable, to take them off relief, to give them the dignity they seek, and to relieve the taxpayer of the burden of public welfare.

And so I repeat, Mr. Chairman, that those who would vote against this bill should ponder these facts carefully because by voting "no" on this legislation they are in effect saying, "We are for a continuation of the welfare state. We are for continuing the high cost of welfare to our taxpayers; we do not want to reduce and ultimately eliminate the welfare state." I could never subscribe to or support such a principle and therefore I shall vote to reduce the cost of public welfare by supporting this bill and help get people off relief.

If you really want to get down to business on this question of the high cost of government then I say take a look at this legislation and support it. This legislation, of course, has many aspects to it. As has been properly stated here, as we have gone along, this legislation will be examined very carefully. This legislation comes back before the House committee within less than 8 months. At that time we will have an opportunity

to eliminate those programs that are not operative, those programs that are not workable.

My colleague from California earlier raised the question about title I, the Job Corps. He said, "What is the difference between this and the Manpower Retraining Act?" There is a most significant difference. The manpower retraining program which our committee has voted out, and which I shall include in the RECORD today figures therefrom showing how effectively it has worked in Chicago and is working in Chicago, is but one weapon in the arsenal of this great assault on poverty.

But the Job Corps differs in this respect, that here for the first time we are setting up in this generation the youth camps to which you can take these young people.

Yes; these are young people in many instances who out of restlessness are engaged in demonstrations and various other activities, young people who should be taken into these youth camps and given decent quarters and decent housing, decent education in order to prepare them for gainful employment. That is the difference. These are the same type of youth camps that proved so successful as CCC camps during the 1930's.

Mr. Chairman, the manpower retraining program does not provide for the establishment of any youth camps. The Job Corps provision does provide for them. That is the basic difference. All the people I have talked to, enthusiastically support reestablishing the youth camps to get these restless youths off the street.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from California.

Mr. BELL. I would like to point out that it is our belief, and I think it is the belief of the gentleman fundamentally, that what these people want, is job training; is that not correct?

Mr. PUCINSKI. Fundamentally, these people—

Mr. BELL. Fundamentally, these people want job training and they can get it under the manpower retraining program, they can get it under the ARA program and they can get it under the vocational education program, and why cannot these presently established programs be expanded to enlarge this effort?

Mr. PUCINSKI. My colleague the gentleman from California sat in on the writing of the manpower retraining bill and he knows that the manpower retraining bill has been created fundamentally for that American who has been displaced from his job by automation, a man who has still many productive years left and a man who is going to be retrained because his job has been taken out from under him.

Mr. Chairman, this is the fundamental purpose—the fundamental purpose—of the manpower retraining program.

Mr. Chairman, I should like to show to my colleague how well the bill is working out. I will give the gentleman one example of one man in Chicago, who, after being on public relief with his wife and five children and receiving \$220 a month relief, was retrained to be a chef



and is now privately employed earning \$330 a month.

Mr. BELL. If the gentleman will yield further, has the gentleman any assurance that this proposed program as contained in this bill will work out any better?

Mr. PUCINSKI. The fact of the matter is that it has been stated repeatedly by the distinguished author of this bill, who is one of the most respected Members of this House of Representatives, that we will have an opportunity to look at this legislation again in 8 months and if there are any features of this legislation that are not working, certainly we will have an opportunity to revise it.

Mr. BELL. Mr. Chairman, will the gentleman yield further?

Mr. PUCINSKI. Mr. Chairman, I decline to yield further at this time.

The CHAIRMAN. The gentleman from Illinois declines to yield.

Mr. PUCINSKI. This legislation is directed for the most part to that third generation of unfortunates who have not had an opportunity to get a decent start in life.

Mr. Chairman, title I provides—let us look at the bill—for the authorization of pilot projects to provide constructive work experience or training for unemployed fathers or needy persons. It is hoped that these pilot projects will stimulate the States to develop similar programs.

The act also provides for the training of volunteers to help in community projects. These volunteers will perform roughly the same duties in this country which the tremendously successful Peace Corps has performed abroad, but will be under the control of the local agencies using them.

Mr. Chairman, I should like to call to the attention of my colleagues who are inclined to oppose this legislation that throughout this bill there is not one single step that the Federal Government can take without the authority and the permission from local governments or local not-for-profit private organizations.

Mr. Chairman, this is not a bill which sets up this great big Federal bureaucracy that is going to move in on every single community in America.

Mr. Chairman, the Federal Government has to first be invited in order to participate. Let us not lose sight of that particular point.

We have heard here throughout the day arguments that this is the "road to Washington." This is a Federal assistance program, aimed primarily at those communities of America that above all want to help themselves.

Let no one deny that this act is a milestone in our Nation's history. It marks our recognition, as a people, of the plight of one-fifth of our citizens whose poverty and deprivation is in stark contrast to the comfort and affluence of the rest of the Nation. It is an acknowledgment that we can not tolerate poverty amidst plenty. It is a testimony to our determination to eradicate a social evil which lays waste to millions of lives and deprives us of millions of dollars.

We have made progress in reducing poverty, but it has not been enough. In

1947, one-third of the families in this country lived on substandard incomes. Today that proportion has been reduced to one-fifth. But one-fifth is still far too much. One-fiftieth would be too much. It is inconceivable that the richest Nation in the world will permit over 10 million of its families to be underfed, ill-housed, and denied the opportunities for social and economic growth open to the rest of its citizens. This act will open the path to opportunity to the one-fifth of our citizens who have been denied for so long.

Some of you doubt that this bill poses an effective remedy to poverty. Let me persuade you otherwise by summarizing some of its major provisions. The act provides for community action programs. Under this title, communities would be allowed to plan and carry out their own antipoverty programs. It was formulated in the belief that local citizens know and understand their problems best and, with proper resources, are the most capable of solving them.

Another title of the act authorizes pilot projects to provide constructive work experience or training for unemployed fathers or needy persons. It is hoped that these pilot projects will stimulate the States to develop similar programs.

The act also provides for the training of volunteers to help in community projects. These volunteers will perform roughly the same duties in this country which the tremendously successful Peace Corps has performed abroad, but will be under the control of the local agencies using them.

I have reserved title I of the act to last because I think, in many ways, it is the most significant aspect of the program. Title I concentrates on youth. These young people are one of the Nation's greatest assets for the future. As an asset they must be developed and fully utilized. Title I provides for three distinct programs: A Job Corps; a work-study program; and a work-training program, "the neighborhood youth corps."

The Job Corps focuses on young men and women aged 16 to 22. It will provide them with desperately needed employment and vocational training and enable many of them to work toward the conservation of our Nation's precious resources. My colleague from California asked why this is needed if we already have the Manpower Retraining Act. There is a difference.

Title I also provides for a work-study program which will enable college students from low-income families to pursue education which would have been thwarted by lack of opportunity to earn or by the necessity to remain out of school to help support their families.

I want to make particular reference to title I-B of the act, the work-training program. This program will perhaps do more than anything else under title I to redress one of the greatest evils of our time—the appalling problem of unemployed youth. These youths, who spring from poverty-ridden environments, who lack the social, educational, and vocational skills to make meaningful and productive lives for themselves are, in their present state, a positive detriment to

society. Title I-B of this act will provide these young people with new opportunities, with new hope, with broader aspirations and horizons by giving them a new sense of direction and motivation. All this can be accomplished, quite simply, by giving them a chance to work, by giving them the opportunity to acquire the educational and vocational skills necessary to get a job and keep it.

As you know, title I-B will allow the Office of Economic Opportunity to enter into agreements with State and local governments or nonprofit organizations to pay part of the cost of full- or part-time employment. Such employment will enable young men and women aged 16 to 21—including both those in school and those out of school—to continue or resume their education or to increase their employability.

It astounds me when I think that there are some in this great House who doubt the need for the program. This need is so apparent, it is so overwhelming, its manifestations can be seen everywhere. I am sure that many of you see evidence of it on daily trips from your homes to this Chamber. Travel the streets of Washington, see for yourselves those groups of listless young men and women whose blank stares and apathetic expressions signify their meaningless lives, their hopeless situations.

Yet I know that there are those of you who still doubt, those of you who feel that this program is not necessary. For your benefit let me cite some facts which offer indisputable evidence of the need for this program. Unemployment rates of young people between the ages of 16 and 24 are twice the average for workers of all ages. In 1963, 17 percent of all 16- to 19-year-old workers were jobless and seeking work, three times the average unemployment rate for the entire civilian work force. Altogether, unemployed young people aged 16 to 24 now represent about one out of every three unemployed workers in the United States.

The situation is even worse for nonwhite youths. In 1963, about 3 out of every 10 nonwhite youths between the ages of 16 and 19 were unemployed—almost twice as many as for the comparable white group. Better than one out of every four nonwhite boys, and better than one out of three nonwhite girls was unemployed during 1963. Can there be any doubt in your minds that this appalling situation must be corrected?

This is only part of the problem. Its tremendous magnitude becomes readily apparent when one considers that 26 million new young workers will enter the labor force during the decade of the 1960's. And unless strenuous measures are taken to prevent it, 30 percent of this number will be school dropouts.

After hearing these figures, how can anyone fail to be impressed by the tremendous significance of the problem? It must be remedied if we are to avoid the social chaos and anarchy inherent in the situation.

The passage of this bill will mean the beginning of a concentrated attack on poverty and deprivation. For thousands of the Nation's families and for hundreds



of families in Chicago, it will mean the opportunity to lift their heads above the clouded and troubled circumstances of personal want. It will mean an end to the chronic and persistent problem of keeping a job. It will be the doorway through which the children of our Nation's impoverished may pass to greater potential for full and productive lives.

As an example of what Federal programs of this nature can do for our country and its people, I should like to discuss briefly the impact of the Manpower Development and Training Act—a companion piece of legislation—on our Nation and on Chicago. As you know, this act was passed in March of 1962, and provides for the retraining of unemployed workers whose skills have become obsolete and who need new skills in order to obtain jobs in our rapidly changing economy. The act also provides for the training of youths who need educational and vocational skills in order to find employment in our complex society. The act authorizes the payment of training allowances to unemployed workers who can qualify for them.

As some of you may know, there are three types of programs available under the act: Institutional, on the job, and experimental and demonstration. Institutional training programs are administered jointly by the Departments of Labor and Health, Education, and Welfare. They are usually conducted in public vocational schools or similar-type institutions. The on-the-job training program is administered by the Department of Labor. Training is ordinarily conducted in an employer's establishment. Experimental and demonstration projects are contracted out to private or public organizations by the Department of Labor. They offer special counseling and testing services and pre-vocational literacy training to the individuals who need these services in order to qualify them for regular training programs.

The Manpower Development and Training Act program is having a tremendous impact on our economy. Since the beginning of the program through the middle of July of this year, over 240,000 individuals had been approved for training, over 190,000 in institutional projects, over 15,000 in on-the-job projects, and over 34,000 individuals in experimental and demonstration projects.

Statistics available through May 1 of this year indicate that almost 100,000 individuals were enrolled in institutional training projects, and that better than 44,000 people had successfully completed their training. Almost 73 percent of those who completed have found employment, 9 out of 10 of them in jobs directly related to the training they received.

In my own city of Chicago, 92 projects had been approved through the middle of July to train or serve almost 9,500 people. These projects involve a total commitment of almost \$12.5 million.

The majority of the trainees, over 7,000 of them, are approved for institutional training projects. The jobs for which training is approved run the gamut of the occupational ladder, from semipro-

fessional and technical jobs through semiskilled blue-collar ones. Projects have been approved for various types of technicians, reflecting the increased demand for this type of worker in our complex economy. Cooks are being trained to fill jobs in the expanding food service industry. Projects have been initiated to train licensed practical nurses to help meet the needs of a population that is more health conscious, and contains an increasingly large proportion of elderly people. Many of the courses are training people to work in various types of automobile repair and service occupations, occupations that have been hard to fill in recent years. Chicago is an industrial city, and many of the occupations approved for training reflect this fact. Projects have been approved for welders, screw machine operators, tool and die makers, and solderers.

The five on-the-job training projects in the city are offering training to over 1,200 individuals in such diverse occupations as electronics assembler, punchpress operator, instrument calibrator, screw machine operator, and busdriver.

One of the two experimental and demonstration projects approved for Chicago is of particular interest because it is really a pilot project for the type of program that will be developed under title I-B of the Economic Opportunity Act. Work-training programs, similar to the experimental and demonstration project I will describe, will have a special impact on the crowded and impoverished areas of Chicago's west and south sides. Through such programs, thousands of youths will be offered constructive opportunities to earn income, to become ready for employment, to gain basic education, and to stay or return to school. They will be equipped, in short, to wage their own personal war on poverty.

The experimental and demonstration project I referred to is called "Job opportunities through better skills." This project will train 1,000 unskilled, undereducated, and unemployed youths to become useful, contributing members of society. The project is sponsored by the Chicago boys clubs, the Chicago youth centers, and the YMCA. It is raising young people to the necessary educational level for employment, helping them attain skill experience, developing attitudes required for successful employment, and placing these youths in employment. Trainees are moved into on-the-job training or employment when academic achievement and staff and counselor evaluation and testing of personality, aptitude, and achievement indicate their readiness.

This project was started in the fall of 1963. It has demonstrated conclusively that basic education, motivation, on-the-job training, and a chance to obtain full-time work can turn frustrated, useless lives, constituting a huge social waste, into productive social assets, and self-respecting, self-supporting human beings. Over 90 companies in the Chicago area now employ over 200 of these young people in a variety of permanent jobs. These youths have earned over \$100,000 since completing their training, and have

saved the city and the State a tremendous amount of tax dollars in relief payments. There are now more than 100 young people waiting for on-the-job training opportunities, and it is anticipated that another 400 will be available for such training in a few months.

In closing, let me cite a personal success story which indicates what this type of training can do for a human being. This is the story of a young man who enrolled in the Chicago project I have just referred to. This boy entered training with noticeably low reading and math skills, and showed little improvement over a 5-month period. The boy did, however, show great interest in automobile engines and their repair, and the vocational education instructor managed to keep him busy and excited by giving him many special jobs in this area. Recently, the trainee was placed in a job at a South Side Standard Oil station in Chicago. Within a week he was promoted to the one-man night shift where he has the sole responsibility of operating the station.

This is what Federal job training has done for one individual. Multiply him by thousands of boys and girls and you get some idea of what work-training programs under the Economic Opportunity Act can do for the youth of our country. It is within your power to grant these deprived youths an opportunity to break out of the spiritual and physical poverty which surrounds them.

You have the power to change what will inevitably be wasted, frustrated lives into meaningful and productive ones, not only for the individuals involved, but for this great society of ours which stands to benefit tremendously from the increased productivity and social usefulness generated by the thousands of young men and women who will find profitable employment under the auspices of the Economic Opportunity Act.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield the gentleman an additional 30 seconds.

Mr. PUCINSKI. I thank the gentleman from California.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from California.

Mr. ROOSEVELT. I want to state to my colleagues that earlier in the debate the gentleman from Michigan [Mr. JOHANSEN] raised a question relative to Public Law 801 of the 84th Congress.

I have secured the information which the gentleman wants but unfortunately the gentleman cannot be on the floor at this particular time. However, by arrangement with him, we shall discuss the matter under the 5-minute rule on tomorrow.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 8 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)



(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, title III of this bill deals with poverty in rural areas. It is difficult for those of us who are interested in the legislation to know exactly what language we are considering. I am informed that the language in the bill passed by the other body, as it appears in the comparative print of August 3 of the Committee on Education and Labor, is the language which will be a part of the substitute bill to be offered by the gentleman from Georgia.

Therefore I will direct my remarks and questions to title III in the form in which it passed the other body. If I may have the attention of someone on either side of the aisle, members of the Committee on Education and Labor, I would like to ask several questions.

For example, on page 43 of the comparative print there is language which relates to the so-called loans not to exceed \$1,500, and there language indicates proceeds of the loans may be used to reduce encumbrances. I would like to ask if this provision is restricted to encumbrances brought about by agricultural activities?

Does anyone know if it is so restricted?

It is a rather broad and general statement, and I would suspect if there is no clarification the land could have been mortgaged to buy almost anything, perhaps a motorcycle, then the mortgage could be lifted by a \$1,500 loan.

Mr. ROOSEVELT. It is our distinct understanding this is limited in principle to apply to the operation of a farm for agricultural purposes only, and in order that the legislative record may be clear I so state.

Mr. FINDLEY. If the gentleman does not mind considering another question, the section also provides loans having a maximum of \$2,500 in order "to finance nonagricultural enterprises which will enable such families to supplement their income."

To be eligible for such loan, is it the gentleman's understanding that the applicant must be a farmer, must be engaged in agricultural pursuits?

Mr. ROOSEVELT. Yes; he must be engaged in agricultural pursuits. Many farmers, in order to make their farms pay, do engage in nonagricultural activities; therefore this is limited to financing those nonagricultural activities and to help him stay on the farm so he may continue to be a small farmer.

Mr. FINDLEY. That was my guess as to the intent of the language although it is not clear. But if this type of loan has merit, it seems to me it ought to be available to any citizen of the United States, whether he is a farmer or not. In other words, why should we shut the door on a nonfarmer from borrowing up to \$2,500 to improve his income with nonagricultural enterprises?

Mr. ROOSEVELT. I would refer the gentleman to the section of the bill, title IV, "Employment and Investment Incentives," which would do exactly that.

Mr. FINDLEY. The gentleman does agree these loans in this section would be restricted to farmers?

Mr. ROOSEVELT. In this section; yes.

Mr. FINDLEY. Now, turning to page 44, a rather strange provision appears which authorizes the Director to reduce or release obligations resulting from a loan under this section—that applies to both the \$1,500 and the \$2,500 variety—if it appears to the Director that the indebtedness exceeds the debtor's reasonable ability to pay.

With a forgiveness provision like this, is it right and proper to call this a loan program? A loan program ought to be under rules which are reasonably businesslike. As presented, it has a peculiar, phony ring.

On page 45 is the proviso that the director shall see to it that there is reasonable assurance of repayment of the loan, yet on the top of page 44 the director is given the authority to reduce or release the obligations if the indebtedness exceeds the debtor's reasonable payment ability. The provisions contradict each other. It is a strange loan program that obviously has not been thoroughly and carefully drafted.

Next, I would point out language on page 41 which deals with cooperative associations:

The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

Must these cooperatives, in order to be eligible for these open-end loans, be agricultural cooperatives? It is not clear in the language. Does anyone know the answer to that?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from California.

Mr. ROOSEVELT. It is our understanding that the purpose here is that because this is in the section that deals with rural areas the provision shall be applicable to local cooperatives primarily.

Mr. FINDLEY. Primarily; in other words, the cooperatives must be primarily agricultural in character?

Mr. ROOSEVELT. That is right.

Mr. FINDLEY. I am sure the gentleman will agree with me that the language is far from clear on that point. It also seems to me that these cooperatives, in order to be eligible for the loans, must consist of predominantly low-income rural families. I should be glad to be corrected if I am wrong.

Mr. ROOSEVELT. I do not want to go beyond what it actually says, that the loans themselves shall be limited to low-income rural families. It does not say that the cooperative itself must be wholly or even predominantly made up of low-income family members.

Mr. FINDLEY. Now I am really confused, because this section says the director is authorized to make loans to local cooperative associations, and it does not deal with loans to individuals. That is another indication that this title has not been carefully constructed.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Illinois.

Mr. MICHEL. I do not want to interrupt the gentleman's line of questioning, but it seems to apply to rural electric cooperatives to some extent. I wonder whether or not they are excluded from this area, or do they participate in this?

Mr. FINDLEY. As best I can interpret this language, being defined as intended cooperatives furnishing essential processing, purchasing, or marketing services, supplies or facilities predominantly to low-income families, I would say electric cooperatives would have to serve such low-income families predominantly to qualify. Moreover, the loan interest rate provided for rural electric cooperatives is about half the rate provided for these loans, so it is doubtful cooperatives would apply even if eligible.

But it seems that the Bank for Cooperatives, set up for the express purpose of helping cooperative associations with their financing problems would be the logical place for any cooperatives—whether consisting mainly of low-income families or not—to get loans. I see no need for a new agency of Government to make loans to cooperatives consisting mainly of low-income farm families. So far as I know, no such cooperatives have been formed, and none is in prospect. Cooperatives open to all farmers regardless of income apparently are meeting farm needs adequately.

Mr. ROOSEVELT. I think the record should be clear. May I refer to page 22 of the report on this bill:

Section 304 authorizes loans to local cooperatives furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

Therefore, I think my remark should be corrected in that light:

It is recognized that in many areas existing cooperatives serve farm families at all levels of income. It is also recognized that credit provided through the banks for cooperates of the farm credit system has been of tremendous importance in financing the excellent structure of cooperatives which have been so useful and beneficial to farm families and U.S. agriculture generally.

Nevertheless, the committee believes there is a real need for supplementary financing flexible enough to help establish new cooperatives and finance existing cooperatives that serve mainly poor farm families.

I think that covers the intent of the committee.

Mr. FINDLEY. I thank the gentleman, but will repeat that neither the need nor demand for this loan service has been established.

Finally, Mr. Chairman, I call attention to the provision of title III which amounts to preferential treatment granted to dairy farmers, apparently high income as well as low income dairy farmers. The language is on page 48.

I doubt that any legislation is needed to provide fair and proper indemnity payments to dairy farmers in view of the fact that cranberry producers were indemnified by the Government several years ago in a similar situation. Furthermore, if legislation is needed, it should not be limited to dairy farmers



alone, but should be available to producers of all commodities.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LANDRUM. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CAREY].

(Mr. CAREY asked and was given permission to revise and extend his remarks.)

Mr. CAREY. Mr. Chairman, I would like to spend just a few moments to discuss what this bill is and what this bill is not. Certainly, this bill is not a giveaway nor is it any kind of an extension of the Federal Establishment.

What this bill is is a bill to strengthen America. It is a bill which represents hard work in its very essence and in its every word.

It represents the hard work of the sponsor of this bill, the distinguished gentleman from Georgia [Mr. LANDRUM], and of the members of this committee.

It represents the hard work of an overworked and overburdened staff which despite its size has managed to write an illustrious chapter for this Congress and which has won for us the title "The Education Congress of 1963."

I pay tribute to the Members of the minority who have helped to write every chapter that has won for us this title "The Education Congress."

I would hope in a most constructive way that they would assist on writing this last and most important chapter of the hard work and "Education Congress of 1963."

This bill calls for hard work among the leadership who will conduct it. We have seen such hard work and there is good evidence of it on the part of Mr. Shriver and his staff who have made themselves generously available to the committee in the hard work of preparing this bill.

I think it is most significant that the prospective Director of the program has already given tremendous evidence of his ability to conduct this kind of program.

No one will question or quarrel with this in the light of the great record he has written as Director of the Peace Corps. Now he is willing to go on the line to conduct this program according to the will of the Congress and come back to the Congress and give an accounting of the program and the hard work that is enjoined upon everyone of us in making this program work.

I think we owe it to him to give him the chance with his committee and with his advisory group to run this program and run it well.

I would point out there is no element in this bill, and there is no title in no section in this bill which does not require a commitment of hard work on the part of the leadership and on the part of the participants in the program.

This bill is for work training and the development of work habits. For many of those who enjoy its benefits, this will be the first taste of hard work that they have ever had. If we do not pass the bill, they may never taste hard work.

I do not want to deal in lengthy statistics. I am confronted with living people in my area. Of course, statistics are

meaningful. But I want to emphasize one single factor in my area that has made a great impression upon me. We have out of work and out of school some 90,000 young people in the great metropolitan areas between the ages of 16 and 21. That is the size of six army divisions. It is four times the size of the New York City police force. These young people are out of work. They are out of school. They are out at night and they are out for trouble—yes—and they are open to any kind of mischief, predilection or vice that is available to them. I say that we have to do something to change the course of this kind of situation and the kind of things that develop as a result of such conditions. Yes, and there is something involved here in this program that is more than just humanitarian.

We need the development of every manpower resource which is available to us in this century. One of our great foes at this time is a slumbering giant across the Pacific. The giant is flexing his muscles. That giant has one tremendous asset which we all recognize—yes, the greatest population in the world in enslavement.

To contend with that giant we have to develop every young American to carry his share of the burden of freedom. That development begins now.

We have a choice before us. Do we write an American epic? Do we stand now and say we need these young men and we need these young women as full participants in democracy and freedom? Or do we leave them to roam the streets? Do we leave them neglected? Do we leave them as dropouts from society because of the human corrosion that is taking place in this country today?

It is good sound business to prevent corrosion at the source.

I have been surprised, frankly, that some of the opponents of this program have called it an extension of Federal power and a new precedent. Perhaps it is a new precedent, just like the Northwest Ordinance was a new precedent, like the Morrill Land-Grant College Act was a new precedent, like the GI bill was a new precedent, like social security was a new precedent. Not one of those increased the power of the Federal Government, but every one of those—as is true of this bill—increased the strength of the American Nation. This is the difference we must consider.

This bill will increase the strength of the Nation, not the power of the Federal Government, by developing human resources.

At this juncture in the consideration of the bill I believe it is important to note that this again is not precedent legislation. This is not the first time that America has seen a humanitarian need and determined to meet it. I believe the most notable precedent of that kind took place after World War I, and after World War II.

On the 10th of this month, by resolution of the Congress, we will salute the great American who directed such programs. He, in his own words, said that that program called for the expenditure—in terms of the obligation of

our assets, of our manpower, and of our resources—of more than \$50 billion. I refer to the great relief program conducted by former President Herbert Hoover, in the greatest humanitarian extension in this century in postwar Europe.

We spent \$50 billion. For what? To save lives in Europe. To develop the European economy. To extend the greatest exercise of charity in the history of mankind. Because of that Europe was made strong. Europe was able to survive. Europe is free today.

If we did it then, as a great humanitarian and noble experiment, what is wrong with carrying that principle into every precinct of America today, and saying we will do it for those who are in want, who are needy, on the same basis?

The sponsor of the bill, the gentleman from Georgia, well called this an education and training bill. Is there anyone who means to say, on our committee, on the minority side—after having heard the testimony before our committee—that there are not unmet needs, even though we have passed all of the legislation which we have passed in this Congress? There are unmet needs which must be met at this time, and this bill will help to meet those needs.

There are gaps in education. There are gaps in respect to manpower. If there are not such gaps, why do we find children out of school and out of work?

Let me also remind you that the Higher Education Act of this year, which was so well supported by the minority, will mean a need for feed stock for these colleges in the years to come. Will we give the boys and girls of our Nation an opportunity to get the educational experience they now seek? Will we expand their opportunities, by hard work programs, to enable them to participate in college education? Will this bill simply be for those who have been able to afford this in the past, who fortunately have had the means at their disposal to enter colleges?

This bill has to be for everyone. This bill can only be for everyone if we set this foundation in the Economic Opportunity Act.

This I believe is the challenge before Congress now. Is the American epic only for the fortunate? Is the American epic only for the few? Does the American epic extend to the rural farms? Does it extend to the slums in the cities? Is it available to all?

This is the question before the Congress today. I say we have to answer this question in the affirmative.

This is a hard work bill.

This bill requires a commitment by every participant. It deals with the concept of welfare. It is a bill directed at the heart of this problem. We can make it a better bill, and I hope I will be here next year to work with the minority to the end that it may be even better, but we need it in the hands of a capable administrator, one who can follow it very closely. As soon as we start on this we are taking a step forward.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?



Mr. CAREY. Yes. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I want to say at the outset that I share the gentleman's concern about the unfinished business of this country. We Republicans and Democrats have worked together on our committee toward that end. I feel very strongly about the educational disadvantages we have in many parts of this country which contribute some of the pockets of poverty that we talk so much about. The question is whether this program provides an adequate means to get at the people we are all concerned with. As we both know, the community action program, as this bill is now written, can no longer provide any meaningful aid to education even though that was presumably one of the main targets to be hit by that program, we now have a provision in this bill saying there is to be no general aid to education. It is not a question of our differences over the desired objective but a question of our differences as to the suitability of the means.

The gentleman from New York very eloquently stated that he and I may work next year on a better bill. I would suggest the first step toward doing that would be to defeat this bill. We should send it back to the committee where we can improve it and bring it forth in good time next year, with the election behind us both.

Mr. CAREY. The gentleman and I disagree on this one point. The gentleman feels we can wait 9 months and that 9 months is not a long time to let poverty continue. I think if we agree on the existence of this condition, we should begin now. We cannot wait 9 months, because that means starvation and privation. I say poverty is here now. Let the bill pass now.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I rise in opposition to the so-called antipoverty bill, for in my opinion, it is unsound legislation in its present form; and as such, it is contrary to the public interest. The bill would impose just another super bureaucracy upon the American people, charged with handling of a so-called poverty program which appears to be unrelated with other Federal and State programs in this field.

Not only that, but the bill would neither create nor encourage the creation of any substantial new employment; it will not prepare any substantial number of our unemployed for gainful employment in the highly skilled labor market of 1964; and it will contribute nothing of substance to the expansion of economic opportunity.

On the other hand, the creation of a new layer of Federal bureaucracy headed by a poverty czar with the unlimited power to bypass all State and local governments could well mark finish to any meaningful future for the States and local governments in the orderly conduct of this Nation's affairs.

Although the bill would create nothing new of value in the war against poverty, it would duplicate and interfere with a vast panorama of well-established existing programs, ranging from the Rural Electrification Administration, social security benefits, unemployment compensation, and farm subsidy grants to extensive programs of rehabilitation, retraining and education. The combined costs of all these programs now exceeds \$66 billion a year.

The administration feels that the Employment Opportunity Act charts a new course. Fine, high-sounding words to describe the old New Deal philosophy of Government interference in local affairs in the guise of doing good.

The youth program suggested is just the CCC under another name, with some schooling added. Unless force is used, the 100,000 dropouts who failed to take advantage of today's educational opportunities will hardly go to school in a Government camp where discipline will perforce be stricter than at home.

The administration states that the community action program will let local people devise their own plans to fight poverty on the local level. Then, when the plans are approved by the Office of Economic Opportunity, the Government will finance 90 percent of the cost. But who ever heard of a Federal office approving and financing any program it did not dominate? The Domestic Peace Corps has been rejected before as impractical and expensive duplication of work being done by governmental and private groups.

I would now like to concentrate my attention on the rural aspects of this bill. These appear to me to be designed to place a premium upon failures of the past and branches out into avenues which are better handled by other agencies of the Government.

Assistant Secretary of Agriculture John A. Baker in a speech delivered on June 22, 1964, before the rural administration field conference in Milwaukee, Wis., made the tieup between the REA and the antipoverty program abundantly clear. He said:

Now you ask where do you, as REA field men, fit into the picture in a war on poverty? The antipoverty program would provide a new thrust for the rural areas development work you have underway. It would make loans available to local cooperatives serving low-income families. It would also provide loans up to \$15,000 to small businesses for carrying out the purposes of the act. Thus, in your search for credit in your areas development work, you would have two new sources of financing.

There are numerous provisions of the bill that will provide funds that can be used to further the REA program. This would be in addition to or in place of funds provided under the loan authorization contained in the Department of Agriculture appropriation bill to be used for section 5 loans.

In section 302(a) of this bill, sums up to \$1,500 can be granted as a gift, and not a loan, to rural families to be used in whole or in part "to participate in cooperative associations." Loans up to \$2,500 with 15 years maturity also can be made to such families for similar pur-

poses. Section 304 also would authorize the making of loans to local cooperative associations "furnishing essential facilities predominantly to low-income rural families." This would authorize loans to REA cooperatives above and beyond those provided in the REA loan authorization contained in the Department of Agriculture Appropriations Act.

In addition, under section 303, loans and grants can be made to cut up large agricultural holdings into family-type farms. These loans and grants can be made to cover not only the cost of the land itself, but also for "land and water development, and related facilities." Grants under this provision—section 303 (a)—could be used to assist in the development of REA cooperatives to provide electric distribution services for such new agricultural developments.

Thus, this bill provides back-door financing not only for grants and loans to facilitate the acquisition of electric facilities and equipment—comparable to the loans authorized by section 5 of the act of 1936—but for loans and grants to assist in the formation of REA electric cooperatives. Obviously, as Assistant Secretary Baker was quite correct in pointing out to REA representatives weeks ago, this bill "would provide new thrust for the rural areas development work you have underway."

Under this bill, funds could be used to provide for the purchase of electrical machinery and equipment. As the House is aware, some of the most severe criticisms aimed at the Rural Electrification Administration during the past few years have been for its use of section 5 loans to finance snowmaking equipment, ski lifts, lumber mills, knitting machinery, planer mills, and similar enterprises. Referring back to the Assistant Secretary's speech to REA personnel, I believe now is the proper time to warn Mr. Baker that if he plans to use REA personnel to further the antipoverty boondoggle, REA will once again be back as it was several years ago before the Congress took the initiative to bail it out. Actually, what Mr. Baker is really saying to REA personnel is that "you go ahead and do under the Poverty Act what Congress says you cannot do under the REA Act."

Salaries and expenses of REA officials are appropriated by Congress each year in the Department of Agriculture bill.

The Senate Appropriations Committee, in its 1964 report on the Department of Agriculture appropriations bill, emphasized that:

Section 5 loan funds were not to be used as a substitution for loan funds available under the Area Redevelopment Act, Public Law 87-27.

Further, the House Appropriations Committee, in its recent report on the Department of Agriculture bill for fiscal year 1965, stated that section 5 loans should be "directly related to the distribution, generation, or transmission of electrical energy."

Thus, both committees have made it abundantly clear that loan funds are not available for activities authorized under other programs, such as the Area Redevelopment Act and must be directly re-



lated to distribution, generation, or transmission of electrical energy.

With these committee reports in effect, no official of the Department of Agriculture should be encouraging REA personnel to carry out activities not authorized by the Rural Electrification Act—such as area development work and antipoverty. To assure the REA administrative funds may not be used to implement or foster programs such as antipoverty, for which REA loan funds cannot be legally made available, I will make every effort when the Department of Agriculture appropriations bill for 1965 goes into conference to make certain that language is included in this report to prohibit REA administrative funds to be used for carrying out programs not authorized by the act. In the meantime, I think this body would be well advised to defeat this antipoverty bill, and substitute sound and sane legislation designed to help that segment of our population, who for reasons beyond their control, need aid to get back on their feet.

The best way to meet the problem of poverty is through a practical program such as proposed by four members of the House Education and Labor Committee. Their nonpartisan, 7-point antipoverty program would be developed along the following lines—State, local, and private agencies must be given a part in any antipoverty program—the present bill bypasses them; the Federal Government should stimulate local community action, instead of dictating “rigid, uniform Federal requirements on a national basis”; needs of the very young and the aged should receive highest priority in any poverty program, because they make up more than half of the Nation’s poor—the present bill neglects them; social security benefits should be improved—beneficiaries should be allowed to earn more without loss of benefits; selective service induction should be made as soon after 18 as possible; a new, high-level commission should be named to coordinate all Government statistical agencies, help automate employment services, promote needed studies of poverty; and the present laws dealing with poverty should be fully implemented—the administration’s program would overlap many of them.

In closing, I might remind my colleagues, Mr. Chairman, that in May of this year I introduced an amendment to the agriculture appropriations bill to help alleviate one of the greatest instances of poverty and destitution this country has witnessed—Alaska after the earthquake. The amendment was eventually rejected without any help from the administration. Now, how can we meet here proposing millions to alleviate so-called poverty throughout the Nation when we could not appropriate a fraction of that amount to meet the problems of the catastrophe in Alaska when the evidence was clear that the need existed and prompt action was mandatory? I think the answer is clear—the administration felt there just was not enough votes in Alaska.

Mr. Chairman, I should like to include an editorial from the Chicago Tribune entitled “The Administration’s Propaganda Army” at this point in my remarks followed by a very fine letter written to me by my good friend Mr. Ralph Monk, vice president of Caterpillar Tractor Co.

[From the Chicago Tribune, June 29, 1964]

#### THE ADMINISTRATION’S PROPAGANDA ARMY

The 15,000 managers and directors of the Government-financed rural electric and telephone systems are being urged to become a key task force in the Johnson administration’s war on poverty. John A. Baker, Assistant Secretary of Agriculture, who heads Department activities that include the Rural Electrification Administration, outlined administration efforts to line up field help for the antipoverty drive in a recent speech to the REA conference in Milwaukee.

“If all the managers and directors of the REA-financed systems are mobilized in this drive to wipe out poverty in the rural areas, we would have a key task force of more than 15,000 persons,” he said. “They would have at their command more than 38,000 additional employees, all backed by a membership well over 5 million.”

The REA is only 1 of 12 Agriculture Department agencies whose activities are being coordinated to advance the administration’s rural areas development program. The program is supposed to improve the lot of people on farms and in small towns through Government loans, grants, and technical assistance in a wide variety of projects that range from building water systems and apartment houses for the elderly to digging fish ponds and forming farm vacation associations.

Other agencies mobilized under this program, known as RAD include the Agricultural Stabilization and Conservation Service, the Farmers Home Administration, the Farmer Cooperative Service, and the Federal Extension and Forest Services. A national advisory committee on RAD includes representatives of every rural interest in the Nation. The Agriculture Department also enlists help from other Government departments, including Commerce, Labor, and Health, Education, and Welfare, and a number of agencies.

All these agencies and departments comprise hundreds of thousands of Government employees. The ASCS, which administers crop control and subsidy programs, alone has more than 100,000 full- and part-time employees scattered through every agricultural county and township in the land. These employees get their orders direct from Washington through State and county committees, and they continually bombard farmers by mail and phone in efforts to propagandize them on the benefits of enrolling in programs that bring Federal subsidies.

In addition, employees of the various agencies act as consultants to local RAD committees. These committees are comprised of unpaid volunteers who are local business and civic leaders, whose jobs it is to think up community projects that require Government assistance. At last count there were 64,523 persons serving on 2,117 country resource development committees, and 7,415 persons on 117 multicounty area organizations.

This is a formidable array of departments, agencies, payrollers, and unpaid do-gooders whose objective it is to sell Federal programs to the rural citizenry. Few persons on the local level, whether volunteer or on the payroll, are going to risk the stigma of not being “for the community” by opposing Federal cash for a water system, conservation program, or similar project that takes only a “few thousand dollars” from Washington.

And since most of those people are on the Federal payroll, and thus have vested interests in the program, it is not likely they are going to omit emphasizing the Johnson administration’s role as benefactor in passing

out the taxpayers’ money. With this kind of propaganda-army fielded by the administration at taxpayers’ expense, the Republicans may expect a hard fought contest in November.

CATERPILLAR TRACTOR CO.,  
Peoria, Ill., June 9, 1964.

HON. ROBERT H. MICHEL,  
207 Old House Office Building,  
Washington, D.C.

DEAR BOB: We note that the House Education and Labor Committee has approved the President’s omnibus war on poverty bill (introduced as H.R. 10440). We have studied and formed some opinions on this approach to solving the problem of poverty in the United States, and I thought you might like to have some of our views on this subject.

First of all, Bob, let me say that we recognize the seriousness of the problem in the United States. Poverty may not be as widespread as the administration contends, but it does exist in many areas of the Nation, and in sufficient degree to be of real concern to all Americans.

For this reason, it deserves public attention and action to seek out solutions. But while some of the proposals included in H.R. 10440 have merit, the bill as a whole seems to us to represent an extremely costly collection of proposed solutions for effects rather than causes of poverty in the United States.

To illustrate how costly this approach would be, we estimate that the first year cost of this program (\$1 billion) would tend to add \$1 million to Caterpillar’s tax bill. That represents the cost to one company, and indicates how enormously expensive this program would be to many others.

We feel there are some positive alternatives which might prove equally effective, and would not be nearly as costly. In our opinion, these alternatives deserve serious consideration by our Government in its efforts to find solutions.

Some of the alternative ways to fight poverty in the United States might be:

(1) Continuing efforts to increase U.S. exports and thereby create more jobs for Americans. One way to accomplish this: by negotiating reciprocal tariff reductions, as we are attempting to do at the GATT meetings in Geneva.

(2) Continuing attempts to minimize inflation, thereby protecting those Americans, particularly older people, who are attempting to live on fixed incomes sometimes only slightly above the \$3,000 figure used by the Government as a measurement of poverty.

(3) Restraint by organized labor in its increasing demands for higher wages and benefits.

(4) Meaningful civil rights legislation designed to insure equal educational and employment opportunity for minority groups.

(5) More selective use of State aid to schools to upgrade education in “poverty impacted” areas.

(6) Effective private local, State, and Federal training programs to adequately prepare the unemployed for today’s job needs.

(7) Fuller utilization of the handicapped, the aged, and the underemployed by making it possible for them to earn more without jeopardizing current benefits.

(8) Promotion of more labor mobility by making State unemployment compensation programs more interchangeable.

(9) Liberalization of Kerr-Mills medical assistance to induce all States to adopt such programs, making social security-financed hospital care unnecessary.

(10) Concentration of more effort locally to create an awareness, desire, and willingness on the part of local organizations, such as chambers of commerce, to find solutions to poverty problems.

Please excuse the length of this letter, Bob; but in addition to expressing opposition, I also wanted to at least outline some of our



ideas for alternatives to the war on poverty proposal. I would appreciate your consideration of these opinions.

Sincerely,

RALPH.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. CLANCY].

(Mr. CLANCY asked and was given permission to revise and extend his remarks.)

Mr. CLANCY. Mr. Chairman, we are not dealing today with a new enemy. The war against poverty has been waged for decades in the United States. It would seem to me that before we vote to make another declaration of war against poverty, it would be wise to know what weapons are now available and how well they are being used in the war against poverty. We are attempting to wage war on poverty in 1964 with weapons of 1934. This bill encompasses programs that are as old as the New Deal itself. It is the same old soap with a different label.

I think it is important to state at the outset my belief that the dimensions of the problem of poverty have been exaggerated and, I fear, primarily for political purposes with resultant damage to our image abroad. The yardstick of \$3,000 annually of cash income per family is an unreliable measure of individual welfare in many instances.

It fails, for example, to measure accumulated assets and noncash income. This is not to say that poverty does not exist in the United States, for we know that it does. But imprecise measurements serving as definitions of poverty are inadequate tools to serve as a basis for remedial action.

There are so many glaring defects in the bill under consideration here today that time does not permit even a cursory discussion of them all. I would like, however, to comment briefly on just a few of them.

First and foremost is the incredibly loose drafting of this something-for-everybody bill. It is impossible to understand completely what is proposed in the bill because, to an unprecedented extent, what would emerge in practice would be shaped by the individuals responsible for administering the programs rather than from guidelines set forth in the legislation itself.

It is of deep concern to me that this measure proposes the creation of an entirely new agency of Government to be headed by a director who will be given extensive grants of wide-ranging authority over present agencies and departments.

In addition, I find appalling the absence of a requirement for local or State government approval of proposed community action programs. No clearance of an application for Federal aid with a State or local public agency is required beyond the affording of an opportunity for the Governor of the State involved to comment. This amounts to an unrestrained grant of power to the Federal administrative agency to bypass both State and local public officials and established communitywide health and welfare organizations. This is a dangerous precedent, and it would seriously

undermine traditional Federal-State-local government relationships.

At the present time, a substantial part of the total national budget is allocated to programs designed to prevent, alleviate, and overcome the causes and effects of poverty in this country. The tremendous sum spent by all levels of government, added to the billions spent by private organizations represents a total national expenditure of approximately \$100 billion.

The omnibus approach of this bill duplicates to a far-reaching extent current Federal antipoverty programs such as vocational education, manpower retraining, aid for the aged, and similar Government efforts. According to the Secretary of Health, Education, and Welfare, 42 existing Federal programs have a "direct application to poverty."

Furthermore, the appropriation authorizations in the bill, totaling \$962,500,000, are for the first year only. This is nothing more than a starting point of massive new Federal expenditures, contrary to the recently expressed policy of the Congress to restrain Government spending.

With respect to the proposed Job Corps, I question the degree of effectiveness of short-term efforts to impart basic education, vocational training, and a sense of social responsibility to youths, while displaced in a strange environment. The CCC camps of years ago did very little, if indeed anything, to equip a youth to cope with the problem of obtaining employment in the urban areas of our Nation.

Also, I would express doubt as to the reality of a Jobs Corps program which involves operating expenses of some \$4,700 annually per enrollee, plus substantial camp construction and other costs, when these cost levels are compared with the average costs of vocational training or, perhaps more important, with the cost of a college education. This sum is more than enough to educate a student in many of our finest colleges for a period of 2 years. Far better it is, in my estimation, for our young people to obtain a higher education than to place them in camps and later return them to the labor market no better equipped than they were for a career in an industrialized society.

Certainly those of us who will vote against this bill desire for all Americans full employment, better living conditions, and the elimination of poverty. Our concern for the aged and infirmed, the school dropout, and other of our citizens in need of assistance is every bit as great as that of our colleagues who will support H.R. 11377. Our differences lie not in the ends desired, but instead in the means best suited for achieving these ends.

I believe we should concentrate our efforts on making the existing 42 Federal programs more effective, rather than laying the seeds of mass confusion by proposing still other overlapping and duplicating programs.

H.R. 11377 must not be allowed to become law. This is not the way to relieve poverty. Rather, the solution lies, to a large extent, in the adoption of Government policies and attitudes that will

permit the free enterprise system to operate at peak efficiency and in this way produce more and better jobs. No outpouring of Federal funds, such as proposed by this bill, can cure the infinitely complex causes of poverty in America.

I shudder to think of the staggering costs that will be borne by the taxpayers in the years to come if this bill becomes law. Accordingly, I strongly urge the defeat of this bill. It is purely a gimmick to temporarily reduce the high unemployment rolls in an election year. Gimmicks we do not need.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. HALL].

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Chairman, an Ozark friend has well said, "If those Federal fellers would quit telling us we are poverty stricken, we would not be."

How ironic, it seems to me, that the Congress is today considering a so-called war-on-poverty bill within a few days after the action of this House in bowing to the demands of the President and bestowing a 33-percent increase in pay upon Members of Congress, the Cabinet and the Federal judiciary.

Some may say that we have now lifted Congressmen and Cabinet officers out of their poverty status, but I say the proponents of this measure, and I am proud that I am not among them, have acted irresponsibly and without reason. This administration has effectively blocked legislation to give relief to our farm constituents against excessive beef imports. By its silence it has blocked efforts to consider legislation that would permit this House to put the apportionment of State legislatures back in the hands of the people. It has blocked efforts to consider Republican proposals covering a wide range of national problems.

But it has forced through a substantial pay hike for those whose incomes already are at least 10 times higher than its definition of poverty. Now we are considering a second bill which would add a 43d layer of Federal bureaucracy to the 42 Federal programs in the Department of Health, Education, and Welfare alone, which already has responsibilities in the poverty field. Also, I suggest a study of the President's own Bureau of the Budget salary scale. There is no poverty there.

Rome had its bread and circuses but were there excesses any greater than what this House did last Tuesday, and what it seems bent again on doing today?

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from Ohio [Mr. AYRES], a member of the committee.

(Mr. AYRES asked and was given permission to revise and extend his remarks.)

Mr. AYRES. Mr. Chairman, the preamble of the Constitution of the United States dedicates us to promoting the welfare of all of the people of our Nation. I do not mention this as a reminder to the Members of the Congress. I know full well that this is always in your hearts and minds.



Our primary concern is for the less fortunate citizens. This has been true of this 88th Congress as it was true of the 1st Congress and of all of the intermediate Congresses.

I reiterate these truths solely because some stories and speeches might have led people to believe that we, the elected representatives of the people, had no concern for those who were impoverished. These stories must certainly have given the citizens of foreign countries a false impression of our Congress.

We all know the full meaning of poverty—some of us from first-hand experience—others from working for welfare measures. From 14 years of service in this House, I know that our concern transcends party lines. Many times, I have worked with members of the opposite political party so as to bring a constructive measure to this floor. This has been particularly true when that measure affected the welfare of the poor. The great majority of the Members of this House have set aside politics when problems affecting the needy arose.

If I were but to describe the programs budgeted for fiscal 1965 that combat poverty, it would consume more time than is allotted for the entire debate on this measure. I would just remind you that there are 51 such programs that we have financed. These programs are aimed directly at aiding those in straightened circumstances.

The amount involved here is \$8.7 billion. Not included in this are such recently passed measures as the raise in social security payments and the tax cut. These affect others than the poor.

These funds are administered by the following Federal departments and agencies: The office of the President; the Agriculture Department; the Commerce Department; the Health, Education, and Welfare Department; the Interior Department; the Labor Department; the Housing and Home Finance Agency; and the Small Business Administration. They have experience in the handling of these specialized problems. There are those who criticize their administration of recently passed legislation affecting the training and retraining of the unemployed. These critics would take the administration out of their hands. This Congress has amended the Manpower Training Act to permit basic education to become part of the job training program.

We realize that the battle against poverty should be continuous. Congress has voted for every constructive measure that has pointed toward any solution to the many phases of the problem.

Now we are asked to support an omnibus measure under the direction of a single director. The inference can only be that the past congressional approach of creating new programs and placing them in existing governmental agencies was in error. A careful analysis of this measure before us today will show an almost unbelievable amount of duplication of working programs. If, as is claimed, the present programs are not effective in combatting poverty, they should be repealed or revise. I certainly would not be in favor of this

drastic action without a complete reevaluation of all of the aspects of poverty.

The House Education and Labor Committee held hearings on this omnibus antipoverty bill—a bill that even its proponents admitted presented a network of problems. I believe that you will agree with me that sections of the proposed bill might have better been scrutinized by the Banking and Currency, Agriculture, and Ways and Means Committees. If this had been done, I am certain that we would have eventually had a more operative measure.

Seemingly, speed of enactment of this bill took precedence over the proper deliberation that would have perhaps brought about some improvements in the present programs affecting our less fortunate citizens. The distinguished gentleman who is scheduled to head this new agency seemed to be working against a most early deadline. I have been told that many of his friends felt that his leadership for this legislation would make him the most popular political figure in the Nation. Proof that such has not been the case was recently given to us. Great numbers of people did not rally behind him as a champion in the battle against poverty.

Many proponents of this bill brought suggested improvements to our attention. Some mayors of large cities have antipoverty programs now in operation. They are receiving large funds from the Federal Government toward their costs. Naturally they are looking to this proposed bill for additional funds.

I agree with these local officials in their desire for, and I quote from the words of one of them, "a considered and concerted attack on poverty." I can but believe that you must agree that the legislation before us has not had the due consideration that such an omnibus bill should have.

The mere definition of poverty should be made.

Mr. Walter Heller told our committee, and I quote his words:

The dimension of poverty is \$3,000 for a family. This is the dividing line that sets off the poor.

If this be the deadline then my father—a minister—lived in poverty all of his life. I know that he, and we, his children never considered ourselves amongst the impoverished.

I favor an all-out attack on poverty. I do believe that we probably can improve existing legislation and devise new methods of attack if we knew exactly the effectiveness of present legislation and better understood the problem from a local level.

Having seen no evidence that H.R. 11377 would make a wage earner out of any member of the unemployed, I have offered a substitute bill that would create a Commission to "review the scope, cost, and effectiveness of all existing programs; to examine into and analyze the underlying causes of poverty; to define those areas of unmet community and individual needs to which new programs need be directed or established programs redirected to more effectively deal with the causes and effects of poverty; to recommend specific administrative and leg-

islative action which should be taken by the Federal, State, and/or local governments." I have been quoting from the objectives of the substitute bill.

I am offering this measure in the complete spirit of nonpartisanship. I would not take any leadership away from the President. The bill contains the provision that 12 of the 18 members should be designated by the President—the other 6 members to be named by the leaders of the House and Senate.

I emphasize the nonpartisan nature of my bill because this issue has already been designated as one of pure politics. We have heard it said that such a loosely drawn measure would never see the light of day had this not been the year that we conduct our national election.

I have been shown a letter on White House stationery that seems to bear this out. The letter was addressed to Mr. Joseph A. Califano, Jr., the General Counsel of the U.S. Army. This letter stated that Mr. Califano, Jr., had been designated by the Secretary of Defense as personal contact in the Defense Department for the Job Corps. The letter written by Sargent Shriver's chief aid, Adam Yarmolinsky, called upon Mr. Califano, Jr., to prepare camps for the Job Corps.

This plan as outlined by Mr. Yarmolinsky stressed several times the immediacy of creating a visible impact by opening these camps by early fall. They were to be opened so speedily that a training staff would not be assembled and the Army was being alerted that they would probably be expected to provide active military personnel.

It is indeed hard to understand the sudden rush for this legislation when teaching personnel is not available. Certainly our war on poverty should be conducted in depth and not for the visible impact that it might make on the voting public.

The need of a deep study is evident to all of those who listened to the evidence that was brought before our committee.

I gained several convictions from listening to local officials. One is that any program must be designed to meet the demands of local labor markets. We should investigate the creation of urban conservation corps with the enrollees living at home. We should conduct an investigation whether any potential urban enrollee would join a job corps based in a military camp. Local officials and some Members of this House have serious doubts that they would do so.

A full survey should be made of draft rejects and school dropouts to see as to the type of program in which they would be willing to participate.

A job survey should be conducted to make certain that we were training men for available jobs. Both New York's Mayor Wagner and A.F. of L.-CIO Chief-tain Meany showed a deep concern about this. This survey should be made on a local level. Journeymen tool and die operators are in short supply in my district—one that was unemployed in the city of Washington could not find an opening.

The causes of poverty are many. Proposals that have come before us have



encompassed the creation of marriage counseling, the treatment of alcoholics and psychiatric care for the emotional immature amongst many others.

We have been told that this bill is pointed at the most hardened poverty cases. Perhaps we can find a way to prevent poverty from taking such a firm foothold. Perhaps we can help those communities that are poverty prone.

Certainly we should be able to find a better solution to the unemployment of our young people than just dumping them into Army camps for 2 years. Those of us who served in the military remember our own readjustment difficulties on our return to normal life.

We will have lost nothing by the short delay necessary for a commission to make a real survey of the entire problem.

The Chief Executive told the top official of the organization of guidance counselors that the antipoverty program would need 1,000 counselors to be effective. That official stated that these necessary advisers are not available at this time. Their replacement by the military would not be advantageous to the enrollees in the program.

It is simply a question whether we want to vote for a title or to really delve into the situation to the extent that we can present constructive legislation that will solve the complex problem of poverty.

Under my substitute bill, the President can assemble our Nation's greatest labor, industrial, educational, welfare, and legislative leaders. They can meet with those local leaders who have firsthand information in their own districts on the causes of poverty. From all of this could come the greatest assault on poverty that the world has ever known.

I ask your support for H.R. 12040.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New Jersey.

Mr. JOELSON. In charging that this program is political is not the gentleman in effect saying that this is a program that the people of America want and indeed clamor for and demand, and that it is a response to the demands of the people, because that is what politics really is?

Mr. AYRES. I will say to the gentleman that if through the bill that we passed out of the committee, that if in that legislation, we were creating one wage earner I would give it consideration. But we had testimony from Mr. Meany, the head of the AFL-CIO who said, What good does it do to take the kids off the streets for 2 years when you are going to turn them out after 2 years with nothing to do?

We have no idea how this training program is going to be conducted. I know now, based on the letter from Mr. Yarmolinsky, that the Defense Department, at least the military, are going to be running them and I assume that they will keep them busy. But whether or not these young men will become wage earners, I will say to my friend from New Jersey, I have no way of knowing. We have had no testimony that there would be any new wage earners in this field.

We have had our manpower and retraining program. We have had concrete examples right down in Cambridge just a month or so ago when all of a sudden someone in the administration discovered the difficulty down there was unemployment and they were going to have 200 people entering the manpower and retraining program. The gentleman knows how many showed up.

Mr. JOELSON. Mr. Chairman, if the gentleman will yield further?

Mr. AYRES. I yield.

Mr. JOELSON. I would merely say that being political means that one is responding to the needs of the people. I would certainly be the first to confess proudly that I am being political, because I think that is what we are here to do.

Mr. AYRES. I appreciate the gentleman's statement.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from California.

Mr. ROOSEVELT. I think the gentleman, of course, has taken a letter out of context and given it an unfavorable interpretation. But let me say to the gentleman very frankly what the writer of the letter was trying to do, if I interpret him correctly, was to answer those charges that have come from your side of the aisle that this was simply a political gesture and in an effort to insure that the people must understand that this was not a political gesture; that we meant what we said and that we wanted to be prepared and move ahead. I shall be happy to put in the RECORD the kind of specific jobs which are open today and which, if this bill goes into effect, we will be able to train these people to take.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LANDRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. SICKLES].

(Mr. SICKLES asked and was given permission to revise and extend his remarks.)

Mr. SICKLES. Mr. Chairman, I can stand here and say—yes, with pride—that we live in an abundant land. No other people in the history of mankind have had the diverse goods and the physical comfort that accrue to great numbers of our people. As we look around our homes at the many physical comforts we have and as we look out our picture windows, many of us realize that the portrait of this great Nation is marred by the fact that one of five of our citizens does not share the abundance that most of us are fortunate to have.

Often when we speak of fighting poverty here in America, we hear the quote "The poor will always be with you." So it is written—so it may be—that the poor will always be with us. I am sure there will always be those who would not take a job if it was offered to them. There will always be those who would not continue with their education if given a chance and there will always be those who squander both the wealth of others and the hopes that others have for them. I believe, however, that if the great ma-

jority of those Americans who now live in poverty were given half a chance, they could and yes they would pull themselves up by their economic bootstraps.

Americans have traditionally had compassion, great compassion, for those in less fortunate circumstances than themselves. Our history is just full of stories of the pioneers on the frontier helping a new family build their first house or helping those who were victims of fire. Indians, drought or the many other certainties that comprised life in those days. Ours has traditionally been a land of great opportunity with virgin forest eagerly awaiting the lumbermen, with virgin soil responding to the farmers' steel plow and myriads of business opportunities in the cities that formed the heart of an economy growing by leaps and bounds. Today the buzz saw has replaced the ax and the electronic drill the miners' pick. Today the tractor has replaced the steel plow and one combine reaps a harvest that once took a thousand men to sow. Small business opportunities have given way to the growth of great corporations that dominate the marketplace. With all these changes has come the standard of living for the average American that is unparalleled in history. With these changes have come machines that have swept the assembly line clear of the unskilled. Machines that have moved from farm to factory to offices replacing many skilled workers in their wake. Perhaps most important of all are the changes demanded in our level of education—no longer can an unskilled, unschooled man rise to the top. Today's society demands the best well-trained minds we can muster.

Just what are we doing here in America today to provide new jobs to replace the old, to provide new skills to replace the old and to provide a better education and economic opportunity for all? We are doing far too little and the bill before us today offers us an opportunity to redress a neglect of the past. Yes, we have given Americans subsistence welfare aid to keep them alive, but we must help them get off the welfare rolls. Yes—we have created jobs—thousands of jobs—but they lag behind our growing labor force. Yes, we have gotten better schools and better teachers, but the child of poverty does not need simply better schools—he needs the best schools to offset the other experiences in his daily life.

It is time that we dropped our paternalistic attitude by saying these people are getting welfare and that is all that they need. We need to help them break the welfare cycle and the cycle of dependency that encircles them. Time after time in city after city, it has been shown that the health, education, and welfare services that we have been providing to the poor are not adequate to the task of remedying their plight. Title II of the bill seeks to remedy this situation and reach these people in a positive way.

The missing job opportunities that our forebears found so plentiful in America will be provided both by programs in title I of the bill, by expanding small



businesses and by making many family farms healthy economic units once more.

Education starts the day of your birth and ends in this world when you are interred. The children of the poor when starting their school experience are culturally years behind more fortunate neighbors. Even if they are bright enough to overcome this handicap and finish the free public education provided to them, it is unlikely that they can afford a costly college education no matter how academically able they are. By providing preschool aid as is contemplated under title II of the bill, we can compensate for home and neighborhood environment that does little to nurture the latent talent many children of the poor are endowed with. By providing part-time jobs to those who have the ability to go to college, we are guaranteeing both them and ourselves a better future. The effort begun here today to help the poor lift themselves above an accident of birth is truly part of our great American tradition that man should be given a fair chance to develop his capacities to the fullest both for the benefit of himself and our Nation. Americans today but need the opportunities that our fathers had and I am sure they will make the most of them.

The Volunteers-In-Services to America, here at home, will demonstrate as the Peace Corps did abroad as do people who are working to eliminate the causes of poverty in their local communities, that there still burns within the American people a spirit of compassion and sympathetic understanding for those who are seeking a better way of life. A great nation cannot ignore its poor—a great society cannot be built if they are ignored and we in the House cannot turn our backs on our fellow Americans who need our help. I yield back the balance of my time.

Mr. LANDRUM. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. PATTEN].

(Mr. PATTEN asked and was given permission to revise and extend his remarks.)

Mr. PATTEN. Mr. Chairman, in a country as wealthy as the United States, the existence of poverty is more than a challenge—it is a dangerous enemy that must be fought until it is defeated.

Poverty weakens our economy, increases social unrest and darkens America's image throughout the world.

When an estimated 30 to 35 million Americans living—or merely existing—in the strongest and wealthiest Nation in the world are deprived of the basic essentials of life, every American should be concerned—and ashamed.

But concern, shame, and criticism alone cannot defeat poverty, for poverty is a stubborn and tenacious foe that deprives about one-fifth of our people from being more active, healthy, and effective citizens.

They lack adequate food.

They lack adequate clothing.

They lack adequate housing.

And they lack adequate education.

These privations are a great tragedy, but they can be overcome if all levels of

government become allies in this critical fight to help defeat man's ancient enemy.

These are startling and dismaying facts, but if we start to battle this devastating and cruel enemy now, the war against poverty can, must, and will be ultimately won.

The Economic Opportunity Act would not be a panacea, nor would it crush poverty in 1 year, or one battle. But it would be the first and most important one fought.

I hope that every American joins in this historic, essential, and just war, which, if victorious, would make us a stronger, more respected and prosperous Nation.

If the earning power of those suffering from poverty is increased by only \$100 a year a person, purchasing power in the Nation would be increased from \$3 billion to \$3.5 billion.

President Johnson has pointed out:

Poverty at home is an enemy of our society as much as aggressors abroad.

Poverty will be defeated if we combine our economic, social, and human resources and work together—not as Democrats, not as Republicans, not as independents—but as responsible and compassionate Americans and as fellow human beings.

Mr. LANDRUM. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. MOORHEAD].

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Chairman, I rise in support of H.R. 11377, the Economic Opportunity Act of 1964. My congressional district and my city of Pittsburgh want to enlist for the duration of the war against poverty.

The solutions to these problems, which are so varied, are beyond the jurisdiction of any single department or agency in the executive branch. Similarly, at the local level the war against poverty will cut across jurisdictional lines. In the field of community development, with the Pittsburgh renaissance, Pittsburgh has demonstrated civic patriotism and a talent for bringing together business, labor, and government to work cooperatively for community betterment.

I think this talent to cooperate across jurisdictional lines will make Pittsburgh an ideal frontline soldier in the war against poverty.

We are ready to start now.

Based on the hope that this Congress will pass H.R. 11377, Pittsburgh civic agencies in cooperation with the mayor's office have adopted a proposed community action program of the type contemplated in part A of title II of the bill. The cooperating agencies include: the Pittsburgh Board of Education, the Catholic school system, the health and welfare association, Allegheny County Board of Assistance, Allegheny County Health Department, ACTION-Housing, Inc., the city planning commission, settlement houses, and other agencies.

The aim of Pittsburgh's draft proposal is to develop a unified program for attacking poverty by combining new and

experimental programs with existing programs in health, education, welfare, employment, housing, urban renewal, and economic development.

Over 60 percent of the proposed funds is allocated to compensatory education programs. Team teaching and prekindergarten programs are designed to combat the hard fact that the disadvantaged youngsters usually suffer from poor backgrounds and never catch up to their middle-class classmates.

We in Pittsburgh intend to use this legislation to break the cycle of poverty by which the handicaps which kept the father impoverished are handed on to the children.

The uneducated father tends to be poor and live in a slum, bringing up his children in a home environment which does not contribute to the educational process. At the same time and to our shame, the schools in such a neighborhood tend to be well below average and thus the vicious cycle repeats itself—the child of poverty becomes the father of poverty.

The Pittsburgh program and H.R. 11377 are needed because our entire educational system is based on the assumption that education takes place in a middle-class community where a great deal of the process of education is carried on at home. In the case of a young person whose parents are poor and uneducated and who lives in a rural or an urban slum, the basic assumption is false.

The new and exciting thing about this legislation is that, with its emphasis on young people, it recognizes that the greatest challenge is to break these patterns of poverty which occur generation after generation.

The key element of this legislation is found on page 9 of the report where it is said "educational attainment can break the cycle of poverty."

The Pittsburgh community action program is grounded on this same proposition. In the proposal it is said:

We believe that the fundamental tools for breaking the cycle of poverty are programs designed to raise the educational level of individuals within the community. The emphasis in the Pittsburgh program will be on educational experiences of an innovative type within the schools, designed specifically with the problems of the culturally deprived in mind.

Although poverty affects all age groups, the community action program in Pittsburgh is primarily geared to attacking the problems of youth. This focus is necessary in a program that has relatively limited resources. It is our belief that an investment in the young will produce the greatest possible dividends in terms of eliminating the causes of poverty.

However, Pittsburgh has recognized, as has the Committee on Education and Labor, that the causes of poverty are many and varied and that a varied assortment of solutions are necessary. Accordingly, Pittsburgh has drafted a proposal for a work training program of the type contemplated in part B of title I of H.R. 11377. The city proposes a meaningful work experience in city government for some 1,108 young men and women from 16 to 22 years of age. The jobs would be in the fields of parks and rec-



reation, public safety, bureau of traffic planning, lands and buildings, public works, and the Carnegie Library.

The work training program would be coordinated with the community action program in recruitment, counseling, and work programs. The draft proposal states:

The highest priority programs will be those that most enhance the employability of the participants by providing them with the best means of continuing or resuming their education or imparting to them a more marketable skill.

In the hope of the enactment of title IV of this bill, Pittsburgh has instituted another program. A group of Negro and white businessmen have organized a non-profit corporation, the Business and Job Development Corp., and in association with Duquesne University, has applied to the Area Redevelopment Administration for a technical assistance grant. The object of the proposal is to create job opportunities for ethnic groups by creating and expanding small businesses which can employ minority group members at all levels from chairman of the board to janitor.

The importance of Negro business leadership was stressed by Theodore H. White in an article entitled "Racial Collision in the Big Cities," where he pinpointed the Negro-white problem in the large urban centers in the following way:

Most Americans with a leadership urge express it in private business and industry, where the Nation's executive talent so brilliantly flourishes. But this world of private enterprise is largely closed to leadership Negroes by prejudice, and only rarely have Negroes tried to penetrate it as other groups have done, with ventures of their own. Thus Negro leadership talent turns inward. And as their educational levels rise, they find they can lead only one way—against the common enemy they perceive in all white people.

With the possible exception of home ownership, there is no more stabilizing influence on an individual than ownership of one's own business. The entrepreneur, large or small, has an important stake in the stability of his community.

This is the essential purpose of title IV. However, to enable the title IV program to have its widest possible effect, potential applicants should be sought, screened and trained by nonprofit local agencies. This is the purpose of the successful and practical businessmen who formed in Pittsburgh the Business and Job Development Corp. In their proposal to ARA they said:

In order to create and expand these small businesses, managers and entrepreneurs must be trained, financed, counseled, and encouraged. This is the program and goal of the Business and Job Development Corp. This program would prove an opportunity for Negro and white small businessmen to work together at all levels of these new and expanded businesses.

Opponents of H.R. 11377 criticize the bill for being "disorganized," hastily assembled and having a "varied assortment" of programs. Mr. Chairman, I think that the way that public and private agencies in Pittsburgh have responded in a practical way in anticipa-

tion of the passage of this legislation demonstrates that H.R. 11377 contains sound and workable programs to help us solve the perplexing problem of poverty in the midst of plenty.

Mr. LANDRUM. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HANNA].

(Mr. HANNA asked and was given permission to revise and extend his remarks.)

Mr. HANNA. Mr. Chairman, to altogether too many people the term "poverty" is equated with money. It is a simple matter of comparison between those who are "poor" and those who are "rich." Such an approach leads to the obvious obfuscation of relativity. It could be demonstrated that there are a variety of comparisons any place on the scale of incomes where one group was relatively poor to a group much more favorably placed on the income scale.

Too, a reference solely to income even at a low rate of say \$3,000 a year brings in the irrelevant referrals to groups such as draftees, pensioners, and handicapped persons. These may have their own basis for appeal for our consideration for our assistance and support, but they are for all significant purposes irrelevant to the question and problem of poverty.

Poverty is only incidentally a condition of low income. In its essence, poverty is deprivation of opportunity to improve. It is a cellular isolation in a back water environment well out of the main stream of progress. Poverty is a 3-year-old boy with six to eight brothers and sisters living in a third-floor apartment of three or four rooms. He has a poorly educated mother and no father. His playground is the street. His home life is a bedlam of confusion and a minimum of care. Direct conversation is likely to be in such limited phrases as "eat," "get out," "go to sleep," and "shut up." There are no books; there is little guidance, encouragement, or recognition. The most important needed quality to the very young may be denied—love. At 6 years of age this youngster is snatched from this casual existence and placed in school to learn. For the first time someone asks him to communicate in a meaningful way. He is exposed to the simplest request of recitation and has no experience on which to draw. He finds himself in a group which already may know the alphabet and have quick answers for simple questions. He is a first-grade failure—a sure candidate for dropout, a strong prospect of unemployment, a likely father of another of the same stamp. This, Mr. Chairman and gentlemen, is poverty. Poverty is a girl of this environment, who is pregnant at 13, a girl given no surroundings but conflict and no hope except welfare. These youngsters who know no privacy, who have no sense of person, who have no sense of belonging except to their kind and no sense of responsibility except to a sustaining of life; these are the children of poverty.

Contrast this with the poor. A struggling college boy can be poor but he is not so impoverished. A draftee may be poor but he is not so impoverished. A

pensioner at the twilight of a productive life may be poor but he is not so impoverished. An immigrant coming from another land may arrive here poor, but he is not so impoverished.

The poverty we are here addressing ourselves to is the impoverishment of opportunity. The denial from the beginning of life to compete for improvement. We are here seeking to assault the walls of a subsociety. This subsociety will by 1970 provide us with 1½ million youngsters between the ages of 16 and 20 who will be out of school and out of work. They will be on our streets, in our jails, on our relief rolls. The truth of the matter is our society will be threatened by these young people who have grown up outside of it.

Do we not want these people to be self-sustaining and contributing members of our society, not threats to our strength and drags on our resources? Is it not better to have them taxpayers instead of tax users?

Now I know that many of our colleagues who equate poverty with money, say of any program to improve the lot of the impoverished that it is simply an immoral exercise of taking from the rich and giving to the poor in a vain attempt to equalize. This is not true. No effort made by us will equalize the lot of men. But this should not deter us from investing in programs and processes whereby we bring an equal and meaningful equality of opportunity to all our citizens. It is an investment in the best tradition of American principles. It is an investment called for by our long-range national interest. I remind the Members that above the Speaker's podium and inscribed in marble on our wall is the following admonition by Daniel Webster:

Let us develop the resources of our land, call forth its powers; build up its institutions; promote its great interests and see whether we also in our days and generation may not perform something worthy to be remembered.

May we look to these factors in the instant legislation in relation to Mr. Webster's moving request. How many times have we said and heard said that the richest resource we have in America are the young people of our Nation. Are they not worth calling on our powers to help them, building our institutions to serve them and promoting our great interest in developing them? Can we call on our powers, build our institutions, and promote our interest without investing our money? Obviously, we cannot. Shall we be deterred because this great and noble effort requires commitment of our funds that we may garner the returns and dividends of a stronger, richer, more stable nation?

It has been said that this program will be abused. That it will direct help to persons who are too lazy or too indolent to be materially benefited. This is true. For every worthy piece of legislation whose aim it has been to improve the lot of our people, there have been those of our citizens who have used the opportunities; those who have ignored the opportunities; and those who have abused the opportunities. That is the risk of legislating for a large and diverse popu-



lation with a variety of human virtues and human weaknesses. But because we cannot help all, should we neglect all? Our experience has demonstrated that for every new program of opportunity, there has been a wealth of positive response that justified its inception and far outweighed the failures and abuses. We suggest that is the reasonable expectation from this legislation.

It has been said that the sections of this legislation are 1934 answers to 1964 problems. I would remind all that in 1900 we bought a ticket on a coach which provided transportation in the west—in a stagecoach drawn by four horses. In 1964, we buy a ticket on a coach which is the rear section of a jet propelled aircraft that crosses the United States in 4 hours.

There are some Americans who are not blinded to progress just because we indulge our desires for the familiar by returning the old names and the old forms for the new and more advanced ideas.

Let us keep our eye clear and our purpose progressive. Let us recognize the foe. Let us join in the fight to vanquish the subsociety of poverty.

Mr. LANDRUM. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. ROYBAL].

(Mr. ROYBAL asked and was given permission to revise and extend his remarks.)

Mr. ROYBAL. Mr. Chairman, as a former member of the Civilian Conservation Corps of the 1930's, I rise in support of the legislation before us.

I speak from experience when I say that the time I spent in the CCC was one of the greatest experiences of my life, second only to the privilege of serving in the Congress of the United States.

But it is possible that I would not be here today, had it not been for the opportunity afforded me at a time when jobs were almost impossible to acquire, and many young men were roaming the streets and highways of our Nation, broken in heart and spirit, and with no hope for the future.

As the oldest of a family of eight, I joined the CCC after graduating from high school and became a part of a working team that helped conserve our national parks and forests and other resources of our Nation.

This provided the incentive that lifted the feeling of despair, and provided the will to continue my education, making it possible to take a place as a successful member of our society.

The legislation before us can do the same for thousands of young people who, because of circumstances beyond their control, are victims of the seeds of poverty.

Worst of all, they are byproducts of the subbasement of an affluent society whose neglect has condemned them to an unwholesome atmosphere that breaks down the human body and destroys the spirit and the hope of the individual, often pervading his life and remaining his only legacy for his children.

Today, thousands of Americans having been bypassed by the technological

advances of our times, are unable to adequately provide for their children, whose own lack of preparation, opportunity, and incentive will force them to inhabit the slums of our cities and take a place in the economic underworld of the forgotten.

This is not what we want for our country, whose income level is at an all-time high, whose vigorous purchasing power makes possible a two-car family which has added freezers to their refrigerators, automatic dryers to their automatic washers, swimming pools to their backyards, air conditioners to their homes and cars, and have more free time to switch off the appliances and get away from it all.

We want a society that provides the opportunity, and the incentive for the victims of adverse circumstances, who with a small push can take his place in our constantly expanding community, and can well be the custodian of our destiny as he takes over when we are gone.

He can be trained now to build roads, construct the dams, till the soil, and produce the food that will feed the hungry mouths of humanity.

As one who knows, because I was there, I will support the passage of the legislation before us.

This will provide opportunity, and reduce the domain of the poor, the impoverished, and the oppressed, making it possible to emerge victorious in our war on poverty.

Mr. LANDRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. GIBBONS].

(Mr. GIBBONS asked and was given permission to revise and extend his remarks.)

Mr. GIBBONS. Mr. Chairman, I rise in support of this legislation. I believe it is a very fine legislation. It has certainly been well studied and well debated in this 6 hours of general debate.

Mr. Chairman, based upon the observation of the faces of my colleagues here in the House this afternoon, I think it is obvious that their minds are made up and we are now ready to vote.

However, Mr. Chairman, I believe there are some things that must be said before we get to a vote in order to clarify some of the points and charges that have been made here on the floor today and yesterday.

First of all, Mr. Chairman, we would be led to believe that poverty does not really exist, based upon the ridiculous arguments that we have heard. Yet, all of us know that poverty does really exist and that it is very real in our land.

Mr. Chairman, somebody raised the question as to whether there were 32 million people living in poverty or 38 million people living in poverty. I say to the members of the committee that if there are just 1 million people living in poverty and we can do something about it, then it is incumbent upon this Congress to act in this field, for poverty in the midst of plenty, which we have in this great Nation, is something that we cannot afford as men, as Americans, and as leaders of the free world.

Mr. Chairman, we are not going to be judged in this battle for men's minds by the number of shiny streets we have or by the number of fine houses which we have but, unfortunately, we are going to be judged by the number of people in our country who cannot afford the basic necessities of life and who do not have the training to obtain a good job.

Those are the criteria by which we are now being judged in this battle for the minds of men. There is a great national purpose to this legislation, that we raise up every American not by a handout, not by a giveaway, not by any magic hocus-pocus, but by the same fine American principles that have supported this country.

The charge goes out that this program does not meet the challenge of eliminating poverty. I will have to say in all honesty, certainly it will not eliminate poverty completely, but it will do it better than any program we have had before. The next Congress can come back and can refine this program after we have gained experience from its operation and can develop a better program from the foundation we now build. I think after the election there will be an air of bipartisanship in reference to this legislation. I am sorry politics has been raised in the manner it has been raised. We owe it to ourselves as world leaders, we owe it to ourselves in keeping with our Judeo-Christian concepts to promote the well-being of our fellow man. I think we can do it. We can do it by giving our people hope, by giving our people an opportunity for a more productive life, by giving people training they need. That is what this bill does.

In analyzing people who have lived in poverty, we find that there exists in our society a great cycle of poverty. We find in some instances that people in our society have lived on public welfare, the dole, the handout, for as long as four generations. We go back to one generation and we find out that there is a heavy load of repeaters in this cycle of poverty.

This legislation is designed to try to break that cycle of poverty, having been born and raised in poverty, going on and creating a family, creating another child of poverty, as the cycle goes on. This legislation is designed to break that endless chain and to put people back to work.

How does it do that? First of all, it sends to the Job Corps some of the most discouraged people we have, people who have been dropouts in school, who have not succeeded scholastically, people who have had no work experience. This Job Corps will encourage them to break away from the environment they have been living in and to go out and to seek, perhaps for the first time in their lives, work experience and work training. This is to some of us who have been raised in good homes, who have had great opportunities, may not seem significant, but to the great hopeless mass of people this will be their first opportunity. Many who go to the Job Corps will be draft rejectees because they do not even possess the physical or the mental or the educational requirements needed to qualify for our armed services.



I point out that in World War II America had so many draft rejectees because of educational and other failures, they certainly scraped the bottom of the barrel so far as manpower was concerned, I know because I had the privilege of trying to train some of them. That those who were rejected and never even got into the service were the equivalent of 20 Army divisions of about 15,000 men apiece. This high percentage has been reduced some in the time intervening since World War II, but it is still too large.

Second, we have community-action programs. These community-action programs answer the complaint that I have heard for years, "Don't try to solve everything in Washington." "Let us go back and let the people at home solve their own problems." "Let us not be dictated to by Washington." Community-action programs answer this complaint, because if your community does not want a program to attack the causes of poverty, it will never start one. Community-action programs start only in the local communities. They cannot start in Washington.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield on that point?

Mr. GIBBONS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. There is no requirement that a community initiate an application for Federal assistance.

Mr. GIBBONS. The gentleman is correct.

Mr. FRELINGHUYSEN. A private agency may begin such an operation. Surely the decision of a Federal agency whether or not to honor such an application would constitute a very complete kind of control over whether a program could be set up. This is a complete bypassing of community action. I do not see how the gentleman can say that this bill would provide any meaningful community action or participation. The community is not an individual.

Mr. GIBBONS. I am glad the gentleman brought this up. In developing community-action programs, certainly the legislation does not require each community to develop each program, but this community-action program springs from within the community and not from Washington. It can spring from small groups, it can spring from entire communities. Some of our communities are so large, and so complex as we learned in the juvenile delinquency program, it is almost impossible to get everybody in the community to get together and decide on a program and work it out. So the committee profited from the experience we have had of 3 or 4 years in attempts made under the juvenile delinquency program to try to work out a community-action program. In some cases there will be a large number of people involved; in other words, the whole community, but unless the community initiates a program, or someone in the community initiates a program, nothing becomes effective. In addition to the safeguard that a program must start in a local community there is an-

other safeguard. Nothing will become effective whatever under the amendment we intend to offer tomorrow if the Governor disapproves it within 30 days. In other words, the Governor will have 30 days from the time the community-action program is submitted to him to veto it.

So it seems to me this is the very essence of community action. Certainly it would be something less than the whole community of New York, for instance, but it would be a true community-action program.

In developing this legislation, I believe that the Democratic members of this committee have met every major and serious objection that the Republicans have had about this proposal. We will submit tomorrow an amendment by which we cut out the possibility of any of these funds being used to promote a political party. This very valuable criticism was raised by Mr. GRIFFIN, a member of this committee. Tomorrow at the proper time the amendment will be submitted. I hope it will be adopted.

I hope the amendment to allow the Governor to veto programs both under title I and title II, public and private, that may come into his State that may be objectionable to him as chief executive of the State, will be adopted.

I urge all Members to vote for this legislation.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. ASHBROOK.]

Mr. AYRES. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 208]

|                |               |                |
|----------------|---------------|----------------|
| Alger          | Fountain      | Moss           |
| Auchincloss    | Fulton, Tenn. | Norblad        |
| Avery          | Gray          | Passman        |
| Baker          | Green, Oreg.  | Powell         |
| Baring         | Harvey, Mich. | Sheppard       |
| Bass           | Healey        | Sikes          |
| Bennett, Mich. | Hébert        | Siler          |
| Blatnik        | Jones, Mo.    | Staebler       |
| Bolling        | Kee           | Steed          |
| Buckley        | Kilburn       | Thompson, La.  |
| Clark          | Lankford      | Thompson, N.J. |
| Conte          | Lennon        | Wallhauser     |
| Davis, Tenn.   | Lesinski      | Whitten        |
| Dingell        | McMillan      | Willis         |
| Everett        | Miller, N.Y.  | Wilson, Ind.   |
| Evins          | Morrison      | Wydler         |

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 11377, and finding itself without a quorum, he had directed the roll to be called, when 382 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. ASHBROOK. Mr. Chairman, a great deal has been said about the interest that all of us have in eradicating poverty in this country. A great deal has been said about the intentions in this bill

to start a program to attack this blight on the American scene. However, too little has been said about some of the other things that can be done under this bill which will only incidentally affect an all-out attack on poverty.

It has been said that this is really an education bill. With that I heartily agree, but in most cases it is an effort to bypass the local boards of education. I will not dwell on that point right now. In many ways this is aid to education by simply calling education "welfare."

It has been said also that an amendment to be submitted tomorrow will prevent political activity simply by saying that Democratic and Republican groups or parties could not qualify as local organization under this bill. I suggest in no way will this rule politics out of the poverty program. It has also been said an amendment giving veto power to the Governor will be offered and that local groups will thereby preserve their integrity. But nothing has been said about local groups who may want projects that are inconsistent with not only the intention of the bill but the stated will of the Congress.

I will point out two specific areas. In the civil rights bill we took racial balance out of any proposals for desegregation of schools, yet under this bill funds of great proportion can be used for that specific purpose. I suggest in New York City alone the officials there are boldly proclaiming that the poverty program will be used for the racial balance in your school districts.

I refer to the New York Times and to the statement of James Donovan, president of the board of education, himself a great authority in the field of education in New York City. The heading of the New York Times article states as follows: "Donovan To Seek State and U.S. Aid To Revise Schools; Shriver Is Approached; Promises Fair Consideration."

I happen to be a printer, and I imagine the word "revised" would fit well in the column. What they mean is racial balance.

Later on it is said:

James B. Donovan, the president of the Board of Education, said yesterday that he would ask for substantial State and Federal funds to help the school system reduce racial imbalance and improve education.

REPORTS CONVERSATION

Mr. Donovan said that he talked to Mr. Shriver by telephone Tuesday afternoon to tell him of the committee's recommendations and to point out that Federal aid would be needed. Mr. Shriver, he added, said that when an appeal for funds was officially made it "will receive fair and prompt consideration."

It goes on to say:

In explaining his proposed bid for Federal funds, Mr. Donovan noted that the State report had pointed out that since the end of World War II more than 700,000 Negroes and Puerto Ricans had moved into the city and 800,000 whites had left.

It would be just as unfair to expect the city to cope with this problem alone, he said, as it would have been to require Miami to pay the entire cost of settling more than 200,000 Cuban refugees in recent years.

Under that fair and prompt consideration for an early change, as far as this



Congress is concerned, the civil rights bill completely removed racial balance from the area where you have desegregation of schools.

I repeat, not only can the poverty program be used for purposes of this type because of the broad discretion given to the Director of the program, not only can it be used but it will be used. In New York City we see definite plans to get into this poverty program and take \$100 million for the resettlement, which might mean transportation, relocation, anything the Director feels is feasible, to relocate within the city.

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. CAREY. I will say to my distinguished colleague, he has brought up the subject of the New York schools. I think the record needs to be corrected here.

First of all the superintendent to whom he refers is not now the superintendent. He is suffering from a heart attack and has been hospitalized several months. This all took place several months ago, long before this bill came up in final form. The gentleman well knows in this bill there is a clear definition under section 205(b) that:

No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

Even though funds may be allocated for aid to education under a State plan, this plan shall not apply to this bill. Mr. Donovan did approach Mr. Shriver, but we do not know what suggestion they made. However, surely no such funds are available in this bill.

Mr. ASHBROOK. You said you do not know. That is what I am saying, you do not know what can be done with this bill. Transporting or relocating, while not directly giving funds to the New York schools system, can be used as a part of the poverty program and will effectuate the same desired purpose.

On the other hand, there will be politics involved. We have seen the strife in Harlem over the expenditure of \$175 million. An article in the New York Times of July 30 is included at the end of these remarks:

CLARK QUILTS POST ON HARYOU BOARD—SAYS ANTIPOVERTY PROGRAM IS DOOMED IF IT IS LINKED TO POLITICAL DYNASTIES

(By R. W. Apple, Jr.)

Dr. Kenneth B. Clark has resigned from the board of Haryou-Act with a warning that its antipoverty program will be doomed if it is used to perpetuate political dynasties.

Several weeks ago, Dr. Clark charged that Representative ADAM CLAYTON POWELL was attempting to assume control of the agency's \$117 million Harlem campaign by dictating the choice of an executive director and other officers.

Dr. Clark, a professor of psychology at City College, served as acting chairman and chief project consultant of Harlem Youth Opportunities Unlimited (Haryou), which was recently merged with Associated Community Teams (ACT).

CITES COLLEGE DUTIES

His resignation, disclosed in a letter dated

Tuesday and addressed to Dr. Arthur Logan, the chairman of Haryou-ACT, is effective Friday. Dr. Clark said he was leaving because of the pressure of his duties at City College.

Dr. Logan asserted in an interview that Dr. Clark's decision "in no way reflects a cleavage" in the program. He added that it was impossible "to overestimate the services Dr. Clark had rendered to the community and the entire city."

However, Dr. Clark's comments, while muted, made it clear that he was still concerned about the fate of the new agency. He called its program "the last chance available for thousands of young people in the (Harlem) community."

#### CARTER BACKING REPORTED

It was also learned yesterday that the Haryou-ACT personnel committee, which is conducting the search for an executive director, has been giving serious consideration to Lisle C. Carter, Jr., a 39-year-old Negro who is a Deputy Assistant Secretary of Health, Education, and Welfare.

The personnel committee met last Monday night and was reported to have drawn up a tentative list of prospects. Mr. Carter was understood to have the backing of influential persons at the White House as well as at city hall.

The Federal Government, the city government, and private organizations are expected to provide the financing for the Haryou-ACT program. It will be based on a 600-page Haryou study, 2 years in preparation, called "Youth in the Ghetto."

In his letter, Dr. Clark said that at least three conditions must be met if the Haryou-ACT program was to succeed. They were as follows:

"There must be a strong, vigilant, and independent board of directors" willing to resist "all forms of subtle and flagrant pretenses and postures" and to see that "public funds are used \* \* \* to improve the lives of our young people."

"There must be a top staff of qualified people who are identified with the anguish, the frustration, and the affirmative needs of the young people of Harlem"—a staff with "integrity, professional competence, and involvement."

Public officials must be made to understand "that the time for lipservice, double-talk, and even well-financed gimmicks has passed" because of "the desperate urgency of the predicament of Harlem's youth."

Dr. Clark said he was convinced that "the major danger to our society is to be found in the extent to which the inhumanity which is the Harlem ghetto" has bred into its youth a conviction that they have nothing to gain by lawful behavior.

"If our city is to be spared the danger of repeated social explosions," he added, "there must be a genuine commitment and action toward the immediate resolution of the long-standing abuses which have plagued this community—such as criminally inferior schools, pervasive job discrimination, deteriorated, and rat-infested housing, and ugly and unsanitary conditions which threaten the health of the community and the city."

The blandishments of politicians would be difficult to resist, Dr. Clark wrote, because "the more irritating forms of pretense and the most effective techniques for political control are insidious and tend to come under the guise of 'sweet reasonableness.'"

At the beginning of the controversy over control of Haryou-ACT, Dr. Clark was considered an ally of Mayor Wagner and most of the executives of ACT were considered the allies of Representative POWELL, the powerful Harlem Democrat, who has often been at odds with the mayor.

In recent days, however, the political skirmishing has appeared to be diminishing. An indication of this was the election of Dr.

Logan, a respected Harlem surgeon who was identified with neither the Powell nor the Wagner forces.

I would point out to my good friend from New York that this is more recent, July 30. I will put the exact statement in the RECORD. The wire service story of that date said:

NEW YORK.—Educator Kenneth B. Clark resigned yesterday as a director of Haryou-ACT in the culmination of his month-long quarrel with Representative ADAM CLAYTON POWELL, the Harlem Democrat, over the agency's staffing.

The organization has a \$117 million budget for rehabilitating the youth of Harlem. It was created by the merger of Harlem Youth Opportunities Unlimited (Haryou) with Associated Community Teams (ACT).

Clark, a psychology professor at City College, warned in his resignation that the program will fail if it is used to "perpetuate political dynasties."

He had charged that POWELL was trying to take over the agency to make it part of a vast patronage system under his control.

I remind the Members of this body that when you are talking about \$117 million that is no small amount.

Mr. Chairman, I yield back the balance of my time.

DONOVAN TO SEEK STATE AND U.S. AID TO REVISE SCHOOLS; HE PLANS TO ASK GOVERNOR TO CALL A SPECIAL SESSION TO VOTE INTEGRATION FUNDS—SHRIVER IS APPROACHED: PROMISES FAIR CONSIDERATION—SCHOOL HEAD SAYS STATE PLAN REQUIRES MILLIONS

(By Leonard Buder)

James B. Donovan, the president of the board of education, said yesterday that he would ask for substantial State and Federal funds to help the school system reduce racial imbalance and improve education.

He said that he intended to ask Governor Rockefeller to call a special session of the legislature this summer to vote additional State aid. As for Federal funds, he said he had spoken to Sargent Shriver, head of President Johnson's antipoverty campaign.

Mr. Donovan said that several hundred million dollars would be needed to put into effect the improvements recommended by a State advisory committee and to carry out other new programs.

"If the Governor can call a special session of the legislature to lower the price of a bottle of whisky by \$1," he said, "then he certainly should be able to call a special session to appropriate extra funds for education."

#### REPORTS CONVERSATION

Mr. Donovan said that he talked to Mr. Shriver by telephone Tuesday afternoon to tell him of the committee's recommendations and to point out that Federal aid would be needed. Mr. Shriver, he added, said that when an appeal for funds was officially made it "will receive fair and prompt consideration."

The advisory committee, which had received its assignment from Dr. James E. Allen, Jr., the State education commissioner, called for reorganization of the city school system.

The committee, in its report Tuesday, proposed a system in which primary schools would go through the 4th grade, middle schools would cover grades 5 through 8 and high schools would cover grades 9 through 12. The present setup consists of 6-year elementary schools, 3-year junior high schools and 3-year high schools.

Mr. Donovan told of his plans at a news conference aboard the liner Queen Mary before he sailed for Europe on a combined business and pleasure trip.



Facing reporters—and occasionally a curious passenger—in the drawing room on the promenade deck, Mr. Donovan said the board had instructed Dr. Calvin E. Gross, the superintendent of schools, to draw up detailed recommendations and a timetable for implementing the State proposals. Dr. Gross was told to put a price tag on every item, Mr. Donovan said.

The superintendent announced later that he had appointed a committee to analyze the report, but that this would not result in a long delay or another report.

#### MEMBERS ARE LISTED

Serving on the committee are Dr. Bernard E. Donovan, executive deputy superintendent; Dr. John B. Kind, deputy superintendent for instruction; Adrian Blumenfeld, administrator of school planning and research, and Dr. Jacob Landers, assistant superintendent in charge of coordinating the integration program.

Dr. Gross made the announcement after a 2-hour meeting at the Roosevelt Hotel at which he discussed the State report with civil rights leaders. Among those present was the Reverend Dr. Milton A. Galamison, who led the school boycotts on February 3 and March 16.

The superintendent said that the meeting was "one of the best we've had yet." He described the reaction of the rights leaders to the report as "cautious but extremely interested."

Many questions were asked at the meeting, Dr. Gross continued, about "if, how, and when" the State proposals would be put into effect. Decisions on these questions, he said, would have to be made by the school board after they had received recommendations from him and his staff.

Dr. Gross denied, as Mr. Donovan had earlier, that the State report would necessarily persuade the system to drop consideration of its controversial school-pairing plan.

The advisory committee opposed compulsory transportation of young children, as would be required by some pairings of Negro elementary schools with predominantly white or integrated schools. It also said that the board's proposed pairings would not substantially reduce racial imbalance.

However, Mr. Donovan said at his news conference that the system would not "foolishly make one or two pairings that won't fit into the citywide integration program."

In explaining his proposed bid for Federal funds, Mr. Donovan noted that the State report had pointed out that since the end of World War II more than 700,000 Negroes and Puerto Ricans had moved into the city and 800,000 whites had left.

It would be just as unfair to expect the city to cope with this problem alone, he said, as it would have been to require Miami to pay the entire cost of settling more than 200,000 Cuban refugees in recent years.

Asked why he had not mentioned the city as a source of additional funds, Mr. Donovan replied that he had previously emphasized the need for more city money.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, will someone please tell the House the exact amount of funds requested in this bill for the fiscal year ending June 30, 1965, and for the two succeeding fiscal years—the exact amount please.

Mr. ROOSEVELT. It is \$962,500,000.

Mr. JENSEN. Is that for the 3 years?

Mr. ROOSEVELT. No, that amount

is for just 1 year, the fiscal year ending June 30, 1965.

Mr. JENSEN. Well, your bill is not quite clear on that point I am sure you will admit.

Mr. ROOSEVELT. No, I am afraid I could not admit that. I think it is clearly stated that it is limited to 1 year and it is required that the agency come back to the Congress for any additional funds that will be needed beyond that date.

Mr. JENSEN. All right, be that as it may. I thank the gentleman.

Mr. ROOSEVELT. If the gentleman will yield further, in order to accomplish that the appropriations are authorized title by title, so it is tied down I think beyond any peradventure of doubt.

Mr. JENSEN. I thank the gentleman.

Now, Mr. Chairman, in light of our Federal debt of at least \$315 billion as of this very minute and in view of the fact that there is another deficit for this fiscal year staring us in face; and while we are taking over 30 percent of the income of the American people for taxes, both unseen taxes and direct taxes of every nature, and while Uncle Sam at this very minute is involved in a costly, killing, shooting war in Vietnam where American boys are losing their lives by the hundreds, I ask you, my colleagues, how any Member of this House can conscientiously support a bill of this magnitude at this time.

Former President Kennedy pleaded with all the American people to not think of what they could do for themselves, but what they could do for their country.

My colleagues, ask yourself this question: Does this bill square with that admonition? Of course, it does not.

In the minority report on this bill, you will find a listing of 48 agencies of this Government to which we appropriated over \$31 billion already during this session of the Congress to control poverty and to assist the needy people of this Nation.

I shall insert that list in the RECORD with my remarks:

*Federal programs currently operating to combat poverty (appropriations for fiscal year 1964)*

[In thousands of dollars]

| DEPARTMENT OF AGRICULTURE               |             |
|-----------------------------------------|-------------|
| Extension services.....                 | 80, 180     |
| Rural renewal.....                      | 1, 200      |
| Rural housing for elderly.....          | 3, 500      |
| Direct loans.....                       | 486, 000    |
| Rural housing repairs.....              | 3, 355      |
| Housing for domestic farm laborers..... | 3, 000      |
| Food distribution:                      |             |
| Sec. 32 and CCC (domestic).....         | 416, 200    |
| Food stamp.....                         | 44, 600     |
| School lunch.....                       | 182, 000    |
| Special milk.....                       | 100, 000    |
| Forestry and soil conservation.....     | 509, 000    |
| Total.....                              | 1, 829, 035 |

| DEPARTMENT OF COMMERCE                                         |          |
|----------------------------------------------------------------|----------|
| Vocational training and retraining in redevelopment areas..... | 8, 500   |
| Industrial and commercial loans.....                           | 132, 000 |
| Public facility loans.....                                     | (1)      |
| Public facility grants.....                                    | (1)      |
| Technical assistance.....                                      | 4, 500   |
| Total.....                                                     | 145, 000 |

*Federal programs currently operating to combat poverty (appropriations for fiscal year 1964)—Continued*

[In thousands of dollars]

| DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE                          |              |
|-----------------------------------------------------------------------|--------------|
| Public health.....                                                    | 1, 483, 787  |
| Indian health.....                                                    | 65, 048      |
| Maternal, child health, and crippled children.....                    | 68, 777      |
| Vocational education.....                                             | 56, 917      |
| Public library services and construction.....                         | 7, 500       |
| Aid to impacted areas.....                                            | 344, 410     |
| National Defense Education Act. Teachers of handicapped children..... | 235, 788     |
| Old age, survivors, and disability insurance benefits.....            | 14, 185      |
| Public assistance.....                                                | 17, 071, 940 |
| Child welfare services.....                                           | 2, 886, 055  |
| Juvenile delinquency.....                                             | 32, 943      |
| Vocational rehabilitation.....                                        | 6, 950       |
| Manpower development and training.....                                | 128, 407     |
| Total.....                                                            | 164, 977     |
| Total.....                                                            | 22, 567, 684 |

| HOUSING AND HOME FINANCE AGENCY                                                                                                   |             |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------|
| Urban planning.....                                                                                                               | 21, 150     |
| Urban renewal—contract authority.....                                                                                             | 1, 400, 000 |
| Appropriation to liquidate contract authority.....                                                                                | 104, 805    |
| Mortgage insurance—permanent indefinite authorization to expend from corporate debt receipts.....                                 | 142, 395    |
| Low-rent public housing.....                                                                                                      | 212, 484    |
| Public facility construction—financed from authorization to expend from public debt receipts enacted in 1961.....                 |             |
| Low-income housing demonstration projects.....                                                                                    | 48          |
| Contract authority.....                                                                                                           | 5, 000      |
| Appropriation to liquidate contract authority.....                                                                                | 1, 157      |
| Loans for housing for the elderly.....                                                                                            | 100, 000    |
| Federal National Mortgage Association—financed from authorization to expend from public debt receipts enacted in prior years..... |             |
| Total.....                                                                                                                        | 1, 987, 034 |

| DEPARTMENT OF THE INTERIOR                              |             |
|---------------------------------------------------------|-------------|
| Indian affairs.....                                     | 217, 541    |
| Conservation:                                           |             |
| Bureau of Land Management.....                          | 126, 364    |
| Geological Survey.....                                  | 63, 700     |
| Bureau of Reclamation.....                              | 357, 531    |
| National Park Service.....                              | 128, 976    |
| Fish and Wildlife Service.....                          | 109, 449    |
| Research in health and safety in mining operations..... | 1, 596      |
| Territories and trust territory.....                    | 46, 506     |
| Total.....                                              | 1, 051, 663 |

| DEPARTMENT OF LABOR            |             |
|--------------------------------|-------------|
| Employment services.....       | 173, 330    |
| Unemployment compensation..... | 4, 009, 199 |
| Labor standards.....           | 18, 400     |
| Total.....                     | 4, 200, 929 |

| FUNDS APPROPRIATED TO THE PRESIDENT |              |
|-------------------------------------|--------------|
| Accelerated public works.....       | 30, 000      |
| Grand total.....                    | 31, 811, 345 |

<sup>1</sup> Included in "Industrial and commercial loans."



Mr. Chairman, the programs listed above are well established, and their administration is in the hands of recognized Government agencies, manned by experienced personnel. If these programs need to be expanded or modified, their administration should, in our opinion, continue to vest in established Government agencies. I see serious disadvantages in placing fragmentary duplications of these programs in the hands of a new and untired agency, headed by a new and untried poverty czar. The duplication of function and administrative dispersal contemplated by the pending legislation invites administrative chaos and confusion which may well imperil the effective administration of existing programs. There is no justification—economic, organizational, or administrative—for the creation of any such superagency.

(Mr. JENSEN asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Hawaii [Mr. GILL].

(Mr. GILL asked and was given permission to revise and extend his remarks.)

Mr. GILL. Mr. Chairman, there has been a great deal of technical discussion on this bill, but too little time has been spent on the more human problems this measure would attempt to meet.

I mention but two: breaking the vicious cycle of poverty and building natural resources for future generations.

Most of us, in our own areas, are familiar with the cycle of poverty. We have noted—and the statistics bear it out—that many who are in the poverty class not only tend to remain there but raise children who in turn tend to remain members of this group. To use a social worker's phrase, the "hard-core" welfare cases are an example of this transmission of poverty from generation to generation.

Of course we could brush the matter aside and say poverty is a person's own fault, or we could approach the ridiculous and order people to stop being poor. Outside of a few fringe elements in our political spectrum, these ideas have little appeal.

Most of us realize that failing to share in the abundant opportunities of our abundant society rests both on personal motivation and the tangled web of circumstance.

This bill would attempt to cure both. It does little good to tell the unwed mother of half a dozen children who lives on welfare payments, and any other source of funds available, that she should stop and improve herself and her family, when she has neither the skill, the motivation, or the opportunity to do so. It does little good to tell the young boy of that family that he should stay out of pool halls, that he should go back to school, that he should take up a useful life elsewhere, when all he knows of society and comradeship is in that pool hall.

In titles I and II and in the VISTA corps, we have means to break this cycle. We can offer the boy useful work

in a different environment, where he can learn to want to learn. We can mobilize the many skilled local agencies which may be dealing with the mother in a haphazard, incompetent way, to motivate and help that unfortunate woman to become a more constructive citizen.

Much has been said about overlapping and duplication in this bill. Little has been said about the chaos which obtains in our current welfare efforts. Not only do we have a multitude of private and governmental agencies on many levels dealing with parts of the same cases, but doing it with waste and inefficiency. For example you may have one family, or parts of it, under the jurisdiction or care of a government welfare agency, a juvenile court, a public health agency, a public housing agency, a school or two, a private settlement house, and a church. Sometimes each knows what the other is doing; quite often they are unaware of other interest. Trained and dedicated workers in each of these agencies or groups may be wasting valuable time and money in duplicated effort and not be treating the whole problem.

This bill will help them to pull together in joint and effective programs.

Now, to another effect of this measure which is seldom mentioned, conservation.

This House in recent weeks has passed a number of far-reaching and crucial measures aimed at the protection and development of our open spaces and natural resources. The wilderness bill and the land and water conservation fund measure are but two of them. We have only to go through some of our parks and national forests today to find the living evidence of the monumental good done by the old CCC in the 1930's. Several decades have passed but the fruit of that brief endeavor ever grows in our land.

Certainly, in this bill we can provide part of the implementation for the new drive toward conservation and natural development which this Congress has given to the Nation. Hopefully our children can give thanks for the natural works we help save and create, just as we can now give thanks for that program over 30 years ago.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 6 minutes to the gentleman from Iowa [Mr. HOEVEN]. I regret that I have no more time than that to yield to him, as I did promise to yield to him.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, at the very outset, let me say that I am not in favor of poverty. Furthermore, may I suggest that the milk of human kindness does not flow alone in the veins of the sponsors of this legislation.

H.R. 11377, the so-called antipoverty bill, in its last analysis is nothing more or less than a political gimmick trotted out at this late date in the session to get votes in this election year. It is a warmed-over version of many old proposals previously presented to the Congress, some of which have been tried and found wanting. Conveniently, this is an omnibus bill which seeks to compel Members of the House to take the bitter with

the sweet. This, of course, is an old political trick. I dare say that if the different proposals in the bill were presented separately, most of them would be soundly defeated.

It is difficult for me to understand why in this day and age of unprecedented prosperity, as contended by the administration, the United States should in the consideration of this bill be presenting to the world an image of abject poverty within our borders. On September 8, 1960, the late President Kennedy declared that 5 million Americans were living in poverty. In January 1964, President Johnson's National Policy Committee on Pockets of Poverty reported 20 million Americans went to bed hungry every night. If these figures are true, and I doubt it very much, this means that there has been an increase from 5 million to 20 million poverty units in the last 3½ years of Democratic administration, certainly a record of which the party in power cannot be very proud.

I do not know of a single person who is in favor of poverty. We all want to eradicate poverty and only disagree on how it should be done. In this connection, permit me to point out what we are already doing to fight poverty in this country. The following Federal programs in fighting poverty already exist. These, and their annual costs include: Food stamp plan, \$51 million; vocational rehabilitation grants, \$100 million; student loan program, \$135 million; vocational education acts, \$190 million; public works acceleration, \$214 million; Area Redevelopment Administration, \$222 million; Indian education and welfare, \$249 million; donation of commodities to needy persons, \$304 million; public housing loans, \$399 million; manpower retraining, \$411 million; urban renewal, \$1.3 billion, or a grand total of \$9 billion. If you add social security, then the figure jumps to \$25 billion a year. Adding almost another billion dollars under the provisions of this bill would hardly seem to be the answer when the expenditure of \$25 billion has resulted in creation of what the administration considers to be 20 million paupers. Although the bill before us asks for an appropriation of almost a billion dollars, it must be remembered that the first proposal covering this legislation provided for a \$4 billion initial appropriation. Thus, the sights have been lowered to gain more support for the bill, but no one should be fooled by such a concession. The bill before us is only "a foot-in-the-door" operation with a potential cost of \$3 or \$4 billion a year before we get through, this all to be added to our already astronomical national debt.

One of the objectives of the bill is to aid unemployment, a worthy cause indeed. The State of West Virginia has been pictured as a pocket of the largest unemployment. Yet, according to a recent survey made by the Council of California Growers, a report from the director of employment of the State of West Virginia came this startling reply:

We regret to inform you that West Virginia is a demand State instead of a supply State for agricultural labor. We recruit hun-



dreds of workers from Southern States, especially Florida, for our crop harvest. During the past 11 years, we have also found it necessary to utilize foreign workers from the British West Indies.

If the State of West Virginia is a real pocket of unemployment, it is difficult to understand why unemployed manpower in West Virginia is not utilized to harvest the crops so as to make it unnecessary to import labor from other States or foreign countries—this in a State where very little “stoop labor” is involved.

Title III is one of the most objectionable titles in the bill. This title sets up special programs to combat poverty in rural areas. It is similar to what was attempted in the late 1930's and early 1940's under the Farm Security Administration. In 1944, the select committee of the Committee on Agriculture of the House of Representatives, under the chairmanship of the gentleman from North Carolina [Mr. COOLEY], made a report on the operations of the Farm Security Administration. The select committee issued a report finding no need for the duplication of Federal agencies furnishing analogous types of services to low-income farmers. This is exactly what title III of H.R. 11377 proposes to do. Therefore, we should give serious attention to what was tried in the 1930's relating to similar programs which were then found wanting.

Title III is a real phony, which instead of alleviating poverty in rural areas will actually perpetuate poverty on the land. Section 302 authorizes grants up to \$1,500 to low-income rural families who have no debt-paying ability. Such grants are a complete handout and can be used to acquire improved real estate, reduce encumbrances, operate or improve operations of farms, purchase membership in cooperatives, and finance nonagricultural enterprises that supplement farm income. This would include timber-felling equipment, tools and supplies required in guiding hunters and fishermen, capital items, or an on-the-farm machinery repair shop, and similar tools and equipment. This is all to be done with a handout of a mere \$1,500.

The committee report on H.R. 11377 states that among other things, these grants are to produce some improvement in the farmer's financial structure. The report further states:

It is expected that in a majority of cases, the farmer will then be able to meet his future capital needs through existing credit sources.

This really is a laugh. How in the world can a farmer with a \$1,500 grant which he is to use for farm purposes automatically acquire a credit rating which will permit him to borrow \$2,500 to finance nonagricultural enterprise? Such loans would have a maturity of 15 years with no security required. This loan will be in addition to loans presently available under other Federal programs. But that is not all. Section 303 calls for Federal assistance for “family farm development corporations.” Such corporations will buy land, divide it into family-size farms, build farm buildings, fences,

et cetera, and sell it “at appraised value when used for agricultural purposes.” In many States, “appraised value” for tax purposes runs 30 percent or less of actual value. But Uncle Sam will take care of that, too, for subsection (d) says:

The Director is authorized to make grants to such corporations in amounts sufficient to make up the deficiency between the cost of the farms and the net proceeds received from the sale of such farms.

What this all means is that one farmer, if he wants a farm, must make his own downpayment and borrow the rest at commercial rates whereas another farmer, being deemed underprivileged, will get a Government gift of the downpayment, plus a loan, plus a sale price below cost.

With the Nation already suffering from a surplus of farm produce, part of which must be purchased by the taxpayers, it remains to be seen how much the national economy will be improved by creating thousands of new Government-subsidized family farms for the benefit of those who have not been able to make the grade otherwise. The whole procedure set out in section 303 apparently is a program to take from the “haves” and give to the “have nots” at taxpayers' expense. Such a program may be popular in totalitarian countries but certainly has not place in our American economy.

In connection with all this, I call your attention to section 602(k) of the bill wherein the Director—who, by the way, will take over many of the functions of the Secretary of Agriculture—is authorized, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, to deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guarantees made by him pursuant to title III and IV of the act. Furthermore, the Director is authorized to “collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such obligations may be referred to the Attorney General for suit or collection.”

These provisions completely exempt the Director from all existing laws governing the handling of U.S. property, plus granting him the privilege of compromising, forgiving part or all of the loans advanced in good faith by the U.S. Government, until such time as these loans “may be,” not “must be,” referred to the Attorney General for collection. This is the most unusual arbitrary authority given to any individual in Government and is nothing more or less than a complete new Federal giveaway.

The Director, under the provisions of the bill, would completely take over many functions of the Department of Agriculture. For instance, the Director would delegate authority for administering grants under section 302 to the Secretary of Agriculture, who in turn would assign responsibility to the Farmers

Home Administration. This puts the Secretary of Agriculture in a most novel position.

Section 321 of the bill authorizes an annual appropriation of \$50 million for fiscal year 1965, of which \$15 million is earmarked for the assistance of migratory farmworkers and their families as set out in section 320. This leaves \$35 million available to finance the balance of the rural aspects of the poverty program in fiscal year 1965. During his testimony before the House Agriculture Committee on title III of the bill, the Administrator of the Farmers Home Administration said that \$10 million was budgeted for loans to cooperatives and \$2.8 million would be needed to pay additional administrative expenses for 350 extra employees. Of the \$50 million authorized for fiscal year 1965, with \$15 million earmarked for migratory labor assistance, \$10 million for cooperative loans, and \$2.8 million for administrative expenses, this would only leave a balance of \$22.2 million for grants and loans. Now \$22.2 million is a lot of money, but when it is divided among 1.5 million poor farm families mentioned in the majority report, it comes out to \$14.80 a year per family, hardly enough to begin to make any real dent in rural poverty.

More likely the funds will be distributed to a few select families. The Department of Agriculture testified before our committee that perhaps 2,500 families would receive grants and loans. What then happens to the rest of the 1.5 million families? Are they any less needy than the selected handful? The point I am making is this: The present provisions of title III make only a token effort toward the real solution of poverty. Certainly title III in its present form will not solve it and instead will disillusion thousands of poor farmers and make more difficult the ultimate solution of their problems.

The requests for loans through the Farmers Home Administration far exceed the money available. It seems to me that the better part of wisdom would be to give the Farmers Home Administration additional money to meet its ever-increasing demand for loans. The Farmers Home Administration is now operating quite adequately and helps the low-income farmers to get on their feet when they are unable to borrow money through regular credit channels. Under the Farmers Home Administration, the farmer is not classed as a pauper; he is given an opportunity to work himself out of his financial difficulties. If more money is made available to the Farmers Home Administration, much more could be done to alleviate poverty in our rural areas. This is the real way of fighting poverty in rural areas.

“War on Poverty” is a terrific slogan, particularly in an election year. It puts doubters under the suspicion of being in favor of poverty. Nothing is further from the truth. Aside from political considerations, we must all face realities if we are to make any real contribution toward solving the poverty problem. Certainly title III will not solve the prob-



lem and will instead disillusion thousands of poor farmers and make more difficult the ultimate solution of their problems. Let us not perpetuate poverty on the land.

Mr. LANDRUM. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. BROWN].

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Chairman, we have had, I believe, a very enlightening debate here this afternoon. Often in the past I have felt that such debate on the floor of the House would not change the opinions or votes of most of the Members of this body. Today, though, I have a feeling that the rigor of our critical discussion has indeed changed the views of some of the Members of the House and perhaps has swayed some of those who have been undecided. I sincerely hope that they have decided to join with the majority of the committee, by supporting this bill, in a positive response to the desperate needs of millions of impoverished Americans.

I do not wish in the brief time that is available to me to make general remarks about the nature of the bill before us. I believe that many eloquent speakers earlier in the debate have more than adequately discussed the purpose and structure of the bill and the debilitating poverty it is designed to combat. I merely wish to call the attention of my colleagues to one particular section of the bill with which I am particularly concerned, section B of title II, the so-called adult illiteracy section.

I have long been concerned with the problems and programs of adult education in this country and with the national scandal of widespread adult illiteracy. In spite of what many members of the committee may think, the statistics of the 1960 census dramatically reveal that the alarming extent of illiteracy and undereducation in our land is still a major problem which we must confront. Today, there are 2 million adult Americans who cannot read or write; 8,300,000 persons 25 years or over who have had less than 5 years of schooling; and 22 million individuals of working age who have had less than 8 years of education and who, because they cannot properly read and write, also fall into the category of "functional illiterates." These are people who cannot fill out job appli-

cations adequately. These are people who face a grim future of recurrent or persistent joblessness, social dependency, and minimum chances for achieving a successful and useful life. They cannot be hidden and their plight must not be ignored.

Is this problem related to poverty? Quite obviously it is. If you look at the rolls of the needy, those who are drawing aid to needy children and those who are drawing general welfare payments, you will find that a disturbingly large percentage of these people are in the illiterate classification. A large percentage of those who have been unemployed for a long period of time, those who have exhausted their benefits, and those who have given up looking for work also fail the basic test of literacy.

Clearly, it is important that we deal with this problem in a poverty bill, and that is what we are doing under section B of title II.

Mr. Chairman, there were many criticisms of a general nature that were made by many of the opposition party when they attacked the way this bill is designed to be administered. They said it would not give adequate attention to the roles of the States in the planning of programs. They indicated that they might approve such a bill if it did make such provisions.

Mr. Chairman, in this particular section this is exactly what we do. The States present their own plans and tell us how they propose to meet their local problem of illiteracy. This is submitted by the educational organization in each of the States, the body charged with the administration of education. The plan is submitted and approved by the Federal Government and upon approval the State receives the funds provided for under this provision of this bill. These, of course, are relatively modest. The section provides for a mere \$25 million to strengthen the educational programs in each of the 50 States of the Union so that they themselves may better deal with the problem. This is far from adequate but it is a beginning.

For the interest of my colleagues I am enclosing a table of the proposed distribution of these funds among the several States. I hope it will help, along with the many arguments already presented, to answer their criticisms. The figures on the extent of illiteracy which I am

also enclosing, I hope will convince them to vote in the affirmative.

*Estimated distribution of \$25,000,000 under the provisions of title II, part B, for adult basic education*<sup>1</sup>

|                                             | Estimated State amounts | Estimated population aged 22 and over with less than 6 grades of school completed |
|---------------------------------------------|-------------------------|-----------------------------------------------------------------------------------|
| Total, United States and outlying parts.    | \$25,000,000            |                                                                                   |
| 50 States and the District of Columbia..... | 24,500,000              | 11,102,147                                                                        |
| Alabama.....                                | 784,885                 | 358,014                                                                           |
| Alaska.....                                 | 50,000                  | 11,268                                                                            |
| Arizona.....                                | 193,830                 | 88,413                                                                            |
| Arkansas.....                               | 429,815                 | 196,054                                                                           |
| California.....                             | 1,459,432               | 665,699                                                                           |
| Colorado.....                               | 126,307                 | 57,613                                                                            |
| Connecticut.....                            | 290,490                 | 132,503                                                                           |
| Delaware.....                               | 50,000                  | 20,641                                                                            |
| Florida.....                                | 753,885                 | 343,874                                                                           |
| Georgia.....                                | 1,010,237               | 460,805                                                                           |
| Hawaii.....                                 | 111,918                 | 51,050                                                                            |
| Idaho.....                                  | 50,000                  | 16,960                                                                            |
| Illinois.....                               | 1,102,606               | 502,938                                                                           |
| Indiana.....                                | 376,215                 | 171,605                                                                           |
| Iowa.....                                   | 147,162                 | 67,126                                                                            |
| Kansas.....                                 | 129,269                 | 58,964                                                                            |
| Kentucky.....                               | 646,796                 | 295,027                                                                           |
| Louisiana.....                              | 945,650                 | 431,345                                                                           |
| Maine.....                                  | 73,952                  | 33,732                                                                            |
| Maryland.....                               | 417,064                 | 190,238                                                                           |
| Massachusetts.....                          | 525,245                 | 239,583                                                                           |
| Michigan.....                               | 721,923                 | 329,295                                                                           |
| Minnesota.....                              | 210,418                 | 95,979                                                                            |
| Mississippi.....                            | 578,297                 | 263,782                                                                           |
| Missouri.....                               | 521,435                 | 237,845                                                                           |
| Montana.....                                | 50,000                  | 20,998                                                                            |
| Nebraska.....                               | 87,301                  | 39,821                                                                            |
| Nevada.....                                 | 50,000                  | 7,722                                                                             |
| New Hampshire.....                          | 50,000                  | 19,180                                                                            |
| New Jersey.....                             | 777,023                 | 354,428                                                                           |
| New Mexico.....                             | 149,979                 | 68,411                                                                            |
| New York.....                               | 2,308,501               | 1,052,990                                                                         |
| North Carolina.....                         | 1,125,733               | 513,487                                                                           |
| North Dakota.....                           | 55,911                  | 25,503                                                                            |
| Ohio.....                                   | 895,882                 | 408,644                                                                           |
| Oklahoma.....                               | 311,460                 | 142,068                                                                           |
| Oregon.....                                 | 101,411                 | 46,267                                                                            |
| Pennsylvania.....                           | 1,351,530               | 616,481                                                                           |
| Rhode Island.....                           | 104,357                 | 47,601                                                                            |
| South Carolina.....                         | 662,779                 | 302,317                                                                           |
| South Dakota.....                           | 50,000                  | 21,291                                                                            |
| Tennessee.....                              | 816,691                 | 372,522                                                                           |
| Texas.....                                  | 1,928,340               | 879,585                                                                           |
| Utah.....                                   | 50,000                  | 16,498                                                                            |
| Vermont.....                                | 50,000                  | 11,249                                                                            |
| Virginia.....                               | 827,526                 | 377,464                                                                           |
| Washington.....                             | 165,830                 | 75,641                                                                            |
| West Virginia.....                          | 319,935                 | 145,934                                                                           |
| Wisconsin.....                              | 358,214                 | 163,394                                                                           |
| Wyoming.....                                | 50,000                  | 9,082                                                                             |
| District of Columbia.....                   | 94,766                  | 43,226                                                                            |
| Outlying parts:                             |                         |                                                                                   |
| American Samoa.....                         | 500,000                 |                                                                                   |
| Canal Zone.....                             |                         |                                                                                   |
| Guam.....                                   |                         |                                                                                   |
| Puerto Rico.....                            |                         |                                                                                   |
| Virgin Islands.....                         |                         |                                                                                   |

<sup>1</sup> Distribution based on the estimated population aged 22 and over with less than 6 grades of school completed, with a minimum of \$50,000 distributed to each of 50 States and the District of Columbia and 2 percent (\$500,000) reserved for distribution to the outlying parts.



## Persons 25 years old and over with less than 8 years of school completed

[As of Apr. 1, 1960, census]

| State                                                                | Total<br>(thousands) | Resident population 25 years and over <sup>1</sup>    |                            |                  |                                  |       |               | State                       | Total<br>(thousands) | Resident population 25 years and over <sup>1</sup>    |                            |                  |                                  |       |               |
|----------------------------------------------------------------------|----------------------|-------------------------------------------------------|----------------------------|------------------|----------------------------------|-------|---------------|-----------------------------|----------------------|-------------------------------------------------------|----------------------------|------------------|----------------------------------|-------|---------------|
|                                                                      |                      | Less than 8 years of school<br>completed <sup>2</sup> |                            |                  | Median school years<br>completed |       |               |                             |                      | Less than 8 years of school<br>completed <sup>2</sup> |                            |                  | Median school years<br>completed |       |               |
|                                                                      |                      | Number<br>(thousands)                                 | Percent<br>of age<br>group | Rank of<br>State | Total                            | White | Non-<br>white |                             |                      | Number<br>(thousands)                                 | Percent<br>of age<br>group | Rank of<br>State | Total                            | White | Non-<br>white |
| Total.....                                                           | 100,375              | 22,732                                                | 22.6                       |                  |                                  |       |               | United States,<br>etc.—Con. |                      |                                                       |                            |                  |                                  |       |               |
| United States<br>(50 States and<br>the District of<br>Columbia)..... | 99,438               | 22,056                                                | 22.2                       |                  | 10.6                             | 10.9  | 8.2           | Nevada.....                 | 160                  | 17                                                    | 10.9                       | 3                | 12.1                             | 12.2  | 8.8           |
| Alabama.....                                                         | 1,670                | 643                                                   | 38.5                       | 47               | 9.1                              | 10.2  | 6.5           | New Hamp-<br>shire.....     | 345                  | 56                                                    | 16.3                       | 18               | 10.9                             | 10.9  | 11.7          |
| Alaska.....                                                          | 105                  | 16                                                    | 15.7                       | 17               | 12.1                             | 12.4  | 6.6           | New Jersey.....             | 3,600                | 739                                                   | 20.5                       | 29               | 10.6                             | 10.8  | 8.0           |
| Arizona.....                                                         | 661                  | 138                                                   | 20.9                       | 30               | 11.3                             | 11.7  | 7.0           | New Mexico.....             | 445                  | 108                                                   | 24.2                       | 37               | 11.2                             | 11.5  | 7.1           |
| Arkansas.....                                                        | 964                  | 331                                                   | 34.4                       | 43               | 8.9                              | 9.5   | 6.5           | New York.....               | 10,124               | 1,969                                                 | 19.4                       | 27               | 10.7                             | 10.8  | 9.4           |
| California.....                                                      | 8,869                | 1,300                                                 | 14.7                       | 13               | 12.1                             | 12.1  | 10.5          | North<br>Carolina.....      | 2,307                | 956                                                   | 41.4                       | 49               | 8.9                              | 9.8   | 7.0           |
| Colorado.....                                                        | 941                  | 126                                                   | 13.4                       | 10               | 12.1                             | 12.1  | 11.2          | North<br>Dakota.....        | 324                  | 59                                                    | 18.4                       | 25               | 9.3                              | 9.3   | 8.4           |
| Connecticut.....                                                     | 1,482                | 274                                                   | 18.5                       | 26               | 11.0                             | 11.1  | 9.1           | Ohio.....                   | 5,378                | 954                                                   | 17.7                       | 22               | 10.9                             | 11.0  | 9.1           |
| Delaware.....                                                        | 246                  | 48                                                    | 19.6                       | 28               | 11.1                             | 11.6  | 8.4           | Oklahoma.....               | 1,300                | 304                                                   | 23.4                       | 35               | 10.4                             | 10.7  | 8.6           |
| District of<br>Columbia.....                                         | 461                  | 98                                                    | 21.2                       | 31               | 11.7                             | 12.4  | 9.8           | Oregon.....                 | 996                  | 121                                                   | 12.1                       | 6                | 11.8                             | 11.8  | 9.9           |
| Florida.....                                                         | 2,845                | 650                                                   | 22.8                       | 34               | 10.9                             | 11.6  | 7.0           | Pennsyl-<br>vania.....      | 6,606                | 1,425                                                 | 21.6                       | 33               | 10.2                             | 10.3  | 8.9           |
| Georgia.....                                                         | 2,015                | 811                                                   | 40.3                       | 48               | 9.0                              | 10.3  | 6.1           | Rhode Is-<br>land.....      | 498                  | 118                                                   | 23.6                       | 36               | 10.0                             | 10.0  | 9.5           |
| Hawaii.....                                                          | 309                  | 82                                                    | 26.7                       | 38               | 11.3                             | 12.4  | 9.9           | South Caro-<br>lina.....    | 1,136                | 493                                                   | 43.4                       | 51               | 8.7                              | 10.3  | 5.9           |
| Idaho.....                                                           | 340                  | 37                                                    | 10.8                       | 2                | 11.8                             | 11.8  | 9.6           | South Da-<br>kota.....      | 360                  | 50                                                    | 13.8                       | 12               | 10.4                             | 10.5  | 8.6           |
| Illinois.....                                                        | 5,808                | 1,048                                                 | 18.0                       | 24               | 10.5                             | 10.7  | 9.0           | Tennessee.....              | 1,912                | 666                                                   | 34.9                       | 44               | 8.8                              | 9.0   | 7.5           |
| Indiana.....                                                         | 2,550                | 432                                                   | 17.0                       | 19               | 10.8                             | 10.9  | 9.0           | Texas.....                  | 5,031                | 1,514                                                 | 30.1                       | 40               | 10.4                             | 10.8  | 8.1           |
| Iowa.....                                                            | 1,541                | 211                                                   | 13.7                       | 11               | 11.3                             | 11.3  | 9.5           | Utah.....                   | 419                  | 38                                                    | 9.0                        | 1                | 12.2                             | 12.2  | 10.1          |
| Kansas.....                                                          | 1,216                | 159                                                   | 13.1                       | 8                | 11.7                             | 11.8  | 9.6           | Vermont.....                | 213                  | 31                                                    | 14.6                       | 15               | 10.9                             | 10.9  | 10.5          |
| Kentucky.....                                                        | 1,610                | 535                                                   | 33.2                       | 42               | 8.7                              | 8.7   | 8.2           | Virginia.....               | 2,083                | 756                                                   | 36.3                       | 45               | 9.9                              | 10.8  | 7.2           |
| Louisiana.....                                                       | 1,639                | 688                                                   | 41.9                       | 50               | 8.8                              | 10.5  | 6.0           | Washington.....             | 1,577                | 185                                                   | 11.7                       | 5                | 12.1                             | 12.1  | 10.5          |
| Maine.....                                                           | 534                  | 84                                                    | 15.7                       | 16               | 11.0                             | 11.0  | 10.7          | West Vir-<br>ginia.....     | 1,000                | 305                                                   | 30.5                       | 41               | 8.8                              | 8.8   | 8.4           |
| Maryland.....                                                        | 1,693                | 461                                                   | 27.2                       | 39               | 10.4                             | 11.0  | 8.1           | Wisconsin.....              | 2,175                | 387                                                   | 17.8                       | 23               | 10.4                             | 10.4  | 9.0           |
| Massachu-<br>setts.....                                              | 3,011                | 523                                                   | 17.4                       | 20               | 11.6                             | 11.6  | 10.3          | Wyoming.....                | 174                  | 20                                                    | 11.6                       | 4                | 12.1                             | 12.1  | 9.3           |
| Michigan.....                                                        | 4,219                | 739                                                   | 17.5                       | 21               | 10.8                             | 11.0  | 9.1           | Guam.....                   | 28                   | 11                                                    | 38.8                       |                  |                                  |       |               |
| Minnesota.....                                                       | 1,845                | 269                                                   | 14.6                       | 14               | 10.8                             | 10.8  | 9.9           | Puerto Rico.....            | 925                  | 656                                                   | 70.9                       |                  |                                  |       |               |
| Mississippi.....                                                     | 1,065                | 403                                                   | 37.8                       | 46               | 8.9                              | 11.0  | 6.0           | Virgin Islands.....         | 14                   | 9                                                     | 61.2                       |                  |                                  |       |               |
| Missouri.....                                                        | 2,493                | 535                                                   | 21.5                       | 32               | 9.6                              | 9.8   | 8.7           |                             |                      |                                                       |                            |                  |                                  |       |               |
| Montana.....                                                         | 356                  | 47                                                    | 13.3                       | 9                | 11.6                             | 11.7  | 8.7           |                             |                      |                                                       |                            |                  |                                  |       |               |
| Nebraska.....                                                        | 791                  | 96                                                    | 12.2                       | 7                | 11.6                             | 11.7  | 9.6           |                             |                      |                                                       |                            |                  |                                  |       |               |

<sup>1</sup> Resident population includes institutional population but excludes Armed Forces abroad.<sup>2</sup> Based on years of "regular" schooling completed through formal education obtained in public and private kindergartens and graded schools.

Source: U.S. Department of Health, Education, and Welfare; based on U.S. Department of Commerce, Bureau of the Census; "U.S. Census of Population: 1960, General Social and Economic Characteristics," final report, PC (1) series for each State.

## Projected educational attainment

| Years of school<br>completed | Millions of persons 25 years<br>and over |      |       |       |
|------------------------------|------------------------------------------|------|-------|-------|
|                              | 1950                                     | 1960 | 1970  | 1980  |
| 13 or more.....              | 11.9                                     | 15.7 | 20.4  | 28.2  |
| 9 to 12.....                 | 33.3                                     | 44.8 | 57.3  | 76.0  |
| 5 to 8.....                  | 32.6                                     | 30.5 | 26.0  | 21.5  |
| 0 to 4.....                  | 9.8                                      | 8.0  | 6.4   | 5.2   |
| Total.....                   | 87.5                                     | 99.0 | 110.0 | 130.8 |

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. BETTS].

(Mr. BETTS asked and was given permission to revise and extend his remarks.)

Mr. BETTS. Mr. Chairman, I am sure everyone agrees that the basic cause of poverty is unemployment and one of the major defects of this bill is that it fails to come to grips with some of the real reasons for unemployment. For instance, foreign imports have adversely affected domestic markets to the extent of materially reducing employment. One needs only look to the coalfields of West Virginia for an example. While unemployment plagues this area, the administration allows residual oil to be shipped into the country to the detriment of the coal industry.

A thorough study of this problem has been made by Mr. Eugene Stewart, of Washington, for Trade Relations Council of the United States, Inc., and I feel it is timely to consider it in connection with this bill. It concludes that, due to our foreign economic policy, U.S. industries are incapable of creating new job opportunities for the Nation's poverty-stricken unemployed, even if this legislation is enacted—which I hope will not happen.

As you know, the bill calls for a Federal incentive loan program for domestic industries. This program is supposed to create 10,000 new jobs at the cost of \$3,600 per job. According to the criteria established, 83 industries have been qualified by the Commerce Department as eligible to receive such loans.

This study examines 24 of these 83 qualified and 24 of 69 other industries which meet all but one of the criteria laid down to see why they have not been able to create these needed jobs heretofore. Only these industries were examined because the Bureau of Census did not have available the necessary import-export data on the others.

Briefly, the study revealed that between 1958 and 1962 in these industries:

First. Imports into the United States had increased by 90.9 percent.

Second. Exports from the United States had increased only 18.8 percent.

Third. Our unfavorable balance of trade increased by 175.2 percent.

By comparison, within these same industries from 1958 to 1962:

First. The loss in employment due to imports was 68.4 percent.

Second. The gain in employment from imports was nonexistent; in fact, there was a slight loss of 1.9 percent.

Third. In sum total there was a 444.4 percent loss of employment from foreign trade or 21,174 jobs.

When added to the 13,763 workers who depended on these production workers for their jobs, there was a 5-year loss of 34,937 jobs in these 48 selected industries. Enlarged to encompass the original 152 industries, this meant a loss of 116,460 jobs resulting directly from increased imports.

My colleagues might be interested in the characteristics of these 152 industries. They all had a low capital investment per employee, a low to moderate wage rate, a relatively high utilization of blue-collar workers and, most important, a high per unit labor content. These are not isolated industries, by any means, but range from those manufacturing corsets to those manufacturing welding apparatuses.

Since, to the best of my knowledge, the administration is not planning to change its trade policy, I am somewhat puzzled as to how this incentive loan program will create additional jobs. As I understand it, our negotiations have gone to Geneva to even further bargain down



our tariff rates, thus, allowing more imports into our domestic markets. In fact, this Congress gave them that very authority under the Trade Expansion Act of 1962.

Let us not for one minute be fooled by this smokescreen war on poverty. We do not need a war on poverty because the private enterprise system has failed to provide jobs for these people. It could have met the challenge if it were allowed to function unhampered by contradictory Government policies and if it were released from the dictates of politicians trying to buy the love of the world with fat foreign aid checks, what amounts to unilateral tariff reduction, and the like. Democratic Congresses and the administration of the last 3½ years have intentionally opened the floodgates and allowed foreign-produced goods to pour into our domestic markets. This they will continue to do. Thus, while domestic consumption of goods and services has increased, much of it has been satisfied by our Western allies; and, yes, by our enemies in the struggle for survival—the Communists. Maybe the consumer has not suffered much, but surely the worker has. And, who has profited? foreign industries paying substandard wages, or using slave labor.

We need a complete, nonpartisan re-examination of our foreign economic-trade policy, both as to the methods and the results. Hopefully, this would lead to a thorough reshaping of such policy. To establish a new—yet unworkable—Government program for the present and future victims of an existing bad Government program is a hoax. Let us go to the basic causes of unemployment—to the source. Increased imports are one such cause. To do otherwise is not unlike the dog that chases his tail round and round because someone pulled his ears.

Not wishing to fill the RECORD with detailed statistics, I am placing at this point in the RECORD a summary of this study. The full study can be obtained by writing the executive secretary, Trade Relations Council of the United States, Inc., 122 East 42d Street, New York, N.Y. I highly recommend it as a valuable aid for those concerned about the true causes of unemployment:

#### THE IMPACT OF U.S. FOREIGN ECONOMIC POLICY ON THE WAR ON POVERTY

(A study of the implications of foreign trade developments for the capabilities of U.S. industries to create new job opportunities for the Nation's poverty-stricken unemployed)

The United States is exporting jobs to foreign countries at a faster rate than either industry or Federal subsidy programs can create new ones.

This is the inescapable conclusion of a well-documented study of the effects of this Nation's foreign trade policies on employment trends in this country.

The study also revealed:

1. President Johnson's appealing war on poverty is threatened with dismal failure in its goal of creating new jobs for America's unskilled and poorly educated men and women who make up the mass of the Nation's poverty stricken.

2. Our foreign economic policy not only contradicts the job goals of the war on poverty, but also is unresponsive to the realities of the employment needs of the Nation's impoverished, job-hungry group.

The Economic Opportunity Act of 1964, the administration's blueprint for waging war on unemployment and poverty, ignores the impact of foreign trade on joblessness.

This is an unfortunate and perhaps fatal weakness in the administration's battle plan.

The measure does recognize the need for improvement of social services to the poverty stricken. It does provide for job retraining and creation of new educational opportunities.

But these steps, while necessary, simply do not in themselves create new jobs.

The measure, as introduced, called for an assault on joblessness through a \$36 million Federal incentive loan program for domestic industries.

Architects of the plan said this fund would create 10,000 new jobs at the rate of \$3,600 per job in industries designated by Secretary of Commerce Luther H. Hodges as offering the greatest potential for employment of the impoverished, poorly educated, unskilled worker.

The Commerce Department designated 83 industries as qualifying for incentive loans based on their meeting a five-point test during the 1958-62 period. The criteria established included:

1. A moderate or better growth trend.
2. A low capital investment per employee.
3. A low to moderate wage rate.
4. A relatively high use of blue-collar workers.
5. A high labor intensity as measured by labor costs as a percentage of sales.

The 83 industries listed by the Commerce Department are engaged in textile and apparel manufacture, furniture making, wood and paper products, glassware and metal production, and appliance and machinery manufacture.

#### PRECEDENT FOR LOAN PROGRAM

There is precedent for both the Federal incentive loan program contemplated in the antipoverty bill and for the conviction that high labor content industries offer the greatest promises for creation of jobs that can be filled by impoverished, low-skilled employees.

In its recent annual report the Area Re-development Administration said its industrial loan program had been responsible for creation of 20,431 jobs through expenditure of \$57.1 million over a 2-year period.

But little or no actual study has been given in the past to what effect, if any, foreign trade and our balance of payments have had on actual employment trends.

Like a shadowy specter, foreign trade has lurked in the background of employment statistics and until now has avoided serious inspection.

This study was undertaken, therefore, in an attempt to relate our foreign trade experience in recent years to the levels of employment in the industries most affected by the antipoverty crusade—a crusade that has captured the imagination of Americans from all walks of life.

The study drew heavily upon available export-import data which had been correlated by the Bureau of the Census. The technique of converting export-import trade balances into job equivalents, through use of output per worker ratios, provided the means for analyzing the effects of foreign trade on the employment experience of industries in the control groups.

#### JOB LOSSES CITED

Using the Commerce Department's criteria, the study disclosed:

1. Imports resulted in a net loss of 21,174 production jobs between 1958 and 1962 in

48 industries counted upon by the administration to provide new jobs through Federal incentive programs.

2. An additional 13,763 jobs in non-production and service industries which would have been supported by the 21,174 production jobs were lost.

3. Projection of these experiences to cover 152 industries, of which the 48 were merely a sampling, indicates that 116,460 jobs were lost as a result of increased imports.

(The 152 industries include the 83 which met all 5 tests established by the Commerce Department plus 69 others which met 4 of the 5 tests established to identify those with big potential for employment of unskilled workers.)

Paradoxically, none of the industries represented in this study were damaged by the dramatically higher levels of imports from foreign producers. The American industries, on the contrary, enjoyed moderate to good production, sales, and earning increases, and were able to increase capital investments to expand production facilities.

Where did the damage strike?

The full burden of the adverse economic effects of our foreign trade policy was borne by those least able to shoulder it—jobless unskilled breadwinners whose families represent approximately one-fifth of our 30 million citizens living in poverty today.

An increasing proportion of consumer demand in this country for products of the 152 industries was met by goods imported from foreign countries—each of which enjoyed virtually full employment during the 5-year period.

Consider these contrasts in unemployment rates for 1962 alone: The United States, 5.6 percent; Japan, 0.9 percent; Belgium, 1.8 percent; West Germany, 0.7 percent; France, less than 1 percent; United Kingdom, 2.0 percent; the Netherlands, 0.8 percent; and Italy, 3.1 percent.

These unemployment ratios were recorded in a year when U.S. imports of goods produced by the 48 industries studied had reached \$888.1 million, a 90.9-percent increase over the level of such imports in 1958.

During this same 5-year period, exports of the 48 study industries increased only 18.8 percent from \$638 million to \$758.2 million.

Simply put, imports of products of the industries studied quadrupled the rate of growth of their exports during the 5-year period and America's balance of trade shifted from a plus \$172.8 million to a minus \$129.9 million.

It is apparent from these facts that any steps taken to reduce joblessness in these particular industries that do not provide for an adjustment in the foreign trade picture will meet with certain failure.

#### SELECTION OF THE INDUSTRIES INCLUDED IN THE STUDY

Of the 83 industries designated by the Commerce Department as meeting all 5 tests, 22 were found to have import-export data correlated by the Census Bureau, providing a representative sampling for study of the effects of foreign trade on their employment trends.

Since one of the five tests—that of a moderate growth trend in employment in recent years—has no connection with identifying industries capable of employing low skill, untrained workers, the study applied the four remaining tests to a broad group of industries. It was found that 69 industries met all of the requirements set by the Secretary of Commerce with the exception of the growth rate tests. Of these 69 industries, 23 were found to have import-export data correlated by the Census Bureau, providing a representative sampling of the 4-test group for purposes of analysis.



In addition, three industries with substantial foreign trade which met four or five of the tests were studied separately. For 1 of the 3, among the 83 designated by the Commerce Department, foreign trade data could not be correlated without joining it to a separate industry not included among the 83. The third industry, also included in the list designated by the Secretary of Commerce, accounted for such a large proportion of the exports of those industries for which import-export data had been correlated that its inclusion in the group would have seriously distorted analysis of the average situation of the industries in the total group. Thus, these three industry groups were studied separately from the other two control groups.

The answers to two questions were sought in the study:

1. Are export trends creating jobs of the type the long-term unemployed and members of poor families can perform?

2. Are import trends eliminating jobs of this type more rapidly than Government programs and private industries can create them?

#### RESULTS OF ANALYSIS

The results of the analysis of the three groups of industries are depicted graphically, which established the following salient facts:

1. A weakness common to all of the 48 industries in the 3 study groups is the labor-intensive nature of their output; that is, their products require a relatively high degree of direct labor in the productive process. Since wage rates abroad are uniformly lower by decisive margins than in the United States, foreign industries with comparable plants, equipment, and technology to those of American industries have a competitive advantage through significantly lower production costs.

2. Job losses attributable to increased competition from imports occurred in all three control study groups during the 5-year period regardless of whether consumer demand for the products was slight or relatively high. This reflects the decisive competitive advantage enjoyed by foreign producers as a result of lower production costs stemming from lower wage rates in the labor-intensive industries.

3. Relatively high capital expenditures helped to boost the productivity per worker among the industries in the three control groups. This appears to have contributed to moderate increases in exports by domestic producers, but it did not keep import penetration of domestic markets within the same moderate bounds.

The noticeable exception in export growth occurred in the group of 3 industries studied separately from the 22 and 23 industry groups. The 17-percent average annual rate of growth recorded in the smaller grouping was due primarily to the impact of U.S. buying of textile machinery for export to underdeveloped countries under foreign aid programs. From 1955 to 1963 more than \$6.2 billion was expended for such purchases with 44 percent of the total spent in the United States.

4. So long as the industries are labor intensive, regardless of the relative strength of demand, imports increase more swiftly than either domestic or export demand, due to the advantage of lower wage rates enjoyed by foreign producers. The inevitable consequence is an adverse change in the U.S. balance of trade in such products and a concurrent net loss of employment from domestic to foreign producers of the goods. A summary of the shift in the U.S. balance of trade in the 48 labor-intensive industries studied shows:

| [Dollar amounts in millions] |         |         |                |
|------------------------------|---------|---------|----------------|
| Products of industry group   | 1958    | 1962    | Percent change |
| U.S. imports:                |         |         |                |
| 22 industries.....           | \$216.6 | \$419.8 | -----          |
| 23 industries.....           | 198.7   | 335.5   | -----          |
| 3 industries.....            | 49.9    | 132.8   | -----          |
| Total.....                   | 465.2   | 888.1   | +90.9          |
| U.S. exports:                |         |         |                |
| 22 industries.....           | 252.4   | 281.8   | -----          |
| 23 industries.....           | 307.0   | 335.7   | -----          |
| 3 industries.....            | 78.6    | 140.7   | -----          |
| Total.....                   | 638.0   | 758.2   | +18.8          |
| U.S. balance of trade:       |         |         |                |
| 22 industries.....           | +35.8   | -138.0  | -----          |
| 23 industries.....           | +108.3  | +2      | -----          |
| 3 industries.....            | +28.7   | +7.9    | -----          |
| Total.....                   | +172.8  | -129.9  | -175.2         |

A summary of the losses in domestic employment in the 48 industries studied resulting from the adverse foreign trade experience shows:

| Products of industry group                         | 1958   | 1962    | Change 1958/62 | Percent change |
|----------------------------------------------------|--------|---------|----------------|----------------|
| Losses in employment to imports:                   |        |         |                |                |
| 22 industries.....                                 | 13,567 | 23,752  | 10,185         | -----          |
| 23 industries.....                                 | 12,070 | 17,213  | 5,143          | -----          |
| 3 industries.....                                  | 4,355  | 9,555   | 5,200          | -----          |
| Total.....                                         | 29,992 | 50,520  | 20,528         | +68.4          |
| Gains in employment due to exports:                |        |         |                |                |
| 22 industries.....                                 | 13,617 | 12,742  | -875           | -----          |
| 23 industries.....                                 | 15,435 | 14,307  | -1,128         | -----          |
| 3 industries.....                                  | 5,705  | 7,062   | +1,357         | -----          |
| Total.....                                         | 34,757 | 34,111  | -646           | -1.9           |
| Net gain or loss of employment from foreign trade: |        |         |                |                |
| 22 industries.....                                 | +50    | -11,010 | -11,060        | -----          |
| 23 industries.....                                 | +3,365 | -2,906  | -6,271         | -----          |
| 3 industries.....                                  | +1,350 | -2,493  | -3,843         | -----          |
| Total.....                                         | +4,765 | -16,409 | -21,174        | -444.4         |

The net loss of jobs of 21,174 represents the number of potential jobs lost as a result of the deterioration of our foreign trade balances in the products of the labor-intensive industries included in the three groups.

In addition to the direct loss of these production workers, the nonproduction workers in the same industries and the supporting and service industry workers called into action would have totaled 13,763 (based on 65 supporting workers per 100 production jobs as estimated by ARA) for a gross job loss of 34,937.

The 48 industries studied are a representative sampling of 152 industries, all of which meet 4 or 5 of the Commerce Department tests for high employment potential of impoverished, low-skill workers. The sample group represents 30 percent of the 152 industries. Projecting the job loss experience of the sample group to the larger group reveals that the total loss of job potential due to foreign trade in labor-intensive industries was 116,460 during the 5-year period 1958 to 1962.

The total of jobs exported reaches the staggering magnitude of over 11 times the number of jobs (10,000) which the administration proposed creating through a \$36 million incentive loan fund to the same types of industries as were adversely affected by our foreign trade imbalance.

#### ACTION NEEDED TO REVERSE JOB FLOW

It becomes clear that we are exporting jobs at a faster rate than either Government sub-

sidy programs or industry investment spending can create them.

It also becomes clear that our foreign economic policy is unresponsive to the realities of the employment needs of the Nation's impoverished, unemployed worker.

If a successful attack on poverty and unemployment is to be mounted in the United States, some action must be taken to stem the flow of jobs from this country to the relatively low-wage countries competing with our domestic blue-collar industries.

A logical first step is action by President Johnson to reserve the product categories of these labor-intensive industries from further tariff reductions in the trade agreement negotiations now under way in Geneva. This would rule out the proposed 50 percent across-the-board reduction in U.S. duties on the products of foreign industries competing in our domestic markets with our own industries. It would not reverse the outflow of jobs from our shores, but it would at least prevent acceleration of this trend.

A necessary second step to bring back to this country the jobs lost since 1958 to foreign industries is action to limit imports of the products of these blue-collar industries. This could be achieved by limiting such imports to an amount 25.8 percent above the 1958 level of such imports, thus restoring to domestic industry groups the output potential lost to foreign producers since that time.

The reduction of imports required would be \$302.7 million, equivalent to only 9.2 percent of the increase in imports in all manufacturing between 1958 and 1962.

Congressional action is needed to set import ceilings because the administration may take such action only when it finds an industry or group of industries has suffered serious injury as a result of unfavorable trade conditions. In the case of the industries cited in this study, no such finding is possible since, as a group, they are enjoying relatively good fiscal health while the army of unemployed in the blue-collar field is growing year by year as producers in other lands increase their sales in the U.S. market at a more rapid rate than the Nation's own industries.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. ROBISON].

(Mr. ROBISON asked and was given permission to revise and extend his remarks.)

Mr. ROBISON. Mr. Chairman, my file on poverty in America considerably antedates the moment when the present occupant of the White House made his startling discovery of the fact that poverty does, indeed, exist here in the otherwise land of plenty.

Since that discovery, however, the availability of material on this subject has increased substantially, and my file is correspondingly bulging at the seams.

Poverty does, of course, exist today in America and, wherever it does, it constitutes one of the most urgent and human problems which our society has yet to wholly solve.

The objective of a "war on poverty"—in order to find new and better ways in which the Federal Government can assist our citizens to elevate themselves and their children from such a class—is one that is shared by all of us who serve in this body. It is an objective that is, or ought to be, above politics.



Nevertheless, if we are each to do our duty, here, as responsible legislators, we must make sure that whatever new action or direction we may take, in what is actually a never-ending "war" on poverty, is soundly constructed and devised in order that we make progress toward our common goal. Anything less, would be not only a disservice to those who depend upon us for responsible representation, but could also result in perpetrating a cruel hoax on those less fortunate of our fellow citizens who look to all levels of government and particularly now, since the President has laid so much emphasis on this bill, to the Federal Government for some measure of relief.

I think it now does little good, as some of my colleagues have been doing, to take the time of the Committee to detail the kind and nature of those individual or geographical "pockets" of poverty that dot our otherwise prosperous and expanding economy. All of us who have spent any time at all on this subject, are painfully aware of the fact that they exist. Our awareness of this is accurately mirrored by the formidable structure we have fashioned of some 42 separate and existing Federal programs, of one kind or the other, all designed and presently working to combat and overcome those "pockets" of poverty. Through this structure, we are now spending—though I know this is repetitive—approximately \$32 billion a year to serve the same general ends that this bill is supposedly designed to serve.

And, Mr. Chairman, we have made progress—or, at least we did in those years in which we were able to keep the cruel tax of inflation, which falls the hardest on the poor, under control. To refer to the minority views in the committee report, in 1929—using 1962 dollars as a standard—more than 50 percent of American families had incomes of less than \$3,000 a year. By 1947, this figure had fallen to 30 percent, and by 1962 to only 21 percent.

How much of this progress in our continuing "war" on poverty was due to the miraculous ability of our free enterprise system to produce steady economic growth, and how much was due to the "nudging" of these various Federal programs is, of course, debatable.

But before I lose sight of the importance of the control of inflation in all this, let us remember that during the years of the Truman administration—when the cost of living really zoomed—real family incomes were no higher in 1952 when Mr. Truman left office than they were in 1945 when he entered it.

Now, it is true that—for the past 3 years—we have been sort of stalled on a plateau of poverty with no real reduction, using the present administration's poverty "yardstick," in the ranks of the poor, and this in the face of vastly increased Federal spending of almost every kind.

Now, what does this mean? Well, to me it means that our present programs are not getting at the root causes of continuing hard-core poverty in America, and probably will not get to them no matter how much more we spend thereon.

Now, it is true that some of those programs—those which are the newest—have not really had a chance, yet, to show what they can do. Specifically, since the bill before us bears down so hard on educational opportunities for the poor—and quite properly, I think—those programs which have not had a real chance to produce include the vastly expanded manpower retraining program and the new Vocational Education Act.

Try as I can, I am unable to find anything in H.R. 11377 which will do anything in the field of education which these programs—and perhaps the National Defense Education Act—cannot do.

For that matter, I am equally unable to find anything really new in concept in H.R. 11377, which would better get at the root causes of hard-core poverty in our land than anything the Federal Government is already doing.

Oh, the bill does include some things we are not presently doing, but each of them have either been rejected or not accepted by this or recent Congresses as being inadvisable, or were tried in the old depression days of the thirties and found woefully wanting.

Perhaps this is why there is so little enthusiasm for this bill on the other side of this aisle. The absence of that enthusiasm has been communicated to me by many of my colleagues over there—as the news media could undoubtedly find out if they would dig hard enough—though, clearly, my friends over there are going to vote for this bill because the present administration has laid its prestige on the line for its passage.

And so, in a very few days, Mr. Chairman, the President will probably be announcing with pride, on signing this bill into law—thanks to a compliant Congress that took the easy way out—that he is now able, to use his own words, "to show the way" to eradicate poverty for all time from our shores.

And afterward, perhaps, there will be rejoicing in the streets of Harlem and in the Negro sections of Rochester, in my own State of New York, as well as in all the other slum sections of our other cities and towns and in our marginal-farm-land areas as well, where so many of our fellow citizens—and with good reason—are discontented with their economic lot.

But, I cannot help but wonder—as some of you may be wondering—how that discontent may grow when this hodgepodge of a poverty-poultice fails, as I think it must, to soothe the inflammation of economic distress and of want that plagues our society.

If there was anything—I repeat, anything—really new in this bill that, even with the poorest sort of administration, had any sort of a chance at making a real dent in the ranks of the poor, I would be for it wholeheartedly.

Or, if—with the help of some of you—I were able to sort out some of those few sections of the bill that held any sort of promise, such as the Job Corps section, if it could be amended to bring it more in line with the old CCC operation, I would be for them because I think it urg-

ently necessary to try anything that has a reasonable chance of serving as some sort of anchor for those thousands of our youth who are school dropouts, or unemployed and unemployable draft rejectees.

But I know what is going to happen—as it so often does around here; I am going to be asked to buy the whole kettle of fish in this barrel, or none of them, and, if that is my only option, I shall have no other option but to vote "no" on the bill, knowing full well that through the magical alchemy of politics this will—somehow—make me in "favor" of poverty.

There is much yet to be done in our never-ending war on poverty—a war in which the Federal Government has a large and proper role to play. The hearings that were held in connection with this bill have produced a wealth of material and of useful suggestions as to what we might do. And, despite the political dilemma in which the President has placed me, I think we can all be properly grateful to him for having so focused the national attention on how far we have yet to go in this field as well as on how desperately we need to rethink our problem and to search for the real causes of self-perpetuating poverty in order that, some day in the near future, we can really mount an attack thereon.

Would it not be the wisest course of action, I therefore ask of all of you, to recommit this bill to the Committee on Education and Labor, in the hope and expectation that, absent the political atmosphere of this particular year, it can produce a better and more useful product, and one to which we can all give our support?

This is the course of action I urge upon you.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. PIRNIE].

(Mr. PIRNIE asked and was given permission to revise and extend his remarks.)

Mr. PIRNIE. Mr. Chairman, the measure before us has aroused widespread interest across the Nation in what is taking place in this great Chamber. Citizens the length and breadth of these United States will focus their attention on the reports of this debate, especially the outcome of the vote.

I share with them profound concern for the myriad problems facing the poor and less fortunate people of our Nation. No one has to draft me for any war on poverty, I enlisted in the cause long ago and can assure you that I will never apply for a discharge.

The problems of the impoverished are the problems of all America. Thousands of responsible individuals share this view and have done something about it. The phenomenal success of Community Chest and United Fund drives in city after city throughout our country provides concrete evidence that those that have are deeply concerned for the welfare of those that have not.

I must admit that the so-called war on poverty is an appealing phrase that has captured the imagination of all who



have been exposed to it. After all, everyone is against poverty and the objective of the "war"—complete victory over poverty—is one with which we can all agree. It is in the selection of weapons with which to fight the war that disagreement occurs. As the minority report on this measure so eloquently states:

While it is true that governments at all levels, as well as numerous private organizations, have contributed and are continuing to contribute mightily to the eradication of poverty in America, the fact remains that the principal source of accomplishment in this endeavor has been, and must continue to be, our free society and competitive economy.

At the risk of inserting a partisan tone in my remarks, let me say that while I am certain that the proponents of this bill, starting with the President, are very much against poverty, as we all are, the primary objective of the measure is to win friends and influence people who will actively support the administration at the polls in November. After reviewing all the facts, I can come to no other conclusion.

This entire poverty problem, although serious, has been grossly overstated with regard to its extent in the United States. And, equally important, the many local, State and Federal programs currently in operation to combat poverty, have either been greatly underestimated in terms of their effectiveness, or totally ignored by the proponents of the bill.

We are led to believe that 35 million people in this Nation are poverty stricken. We are told that the problem is becoming more intense each day and that, because of the absence of grandiose schemes to reverse the tide, our Nation is nearing its darkest hour. These statements cannot be taken lightly. They are not bedtime stories or fairytales. But, they are a long way from the whole truth, and it has always been my understanding that the people want nothing but the truth.

Let us examine the claim that 35 million of our friends and neighbors are poverty stricken. According to the administration, the poverty yardstick is an annual cash income of \$3,000 or less.

Using that standard, more than a million men and women in the armed services, including one of my own sons who is currently on active duty with the Army in Europe, are poverty stricken because of income not up to \$3,000 per year. And, using that same measuring device, thousands and thousands of young people who are attending school full time, but find it necessary to work part time to help finance their continuing education, are also poverty stricken.

In my hometown of Utica, N.Y., there are two outstanding young educational institutions, neither one of which is yet two decades old, whose classrooms are apparently jammed with poverty stricken students. That is, of course, if the students' financial positions are measured by the poverty yardstick. At these two colleges—Utica College and Mohawk Valley Community College—more than 80 percent of the student body are employed. In the vast majority of cases, the students are working because they

need the money to pay for their education. They are finding it somewhat difficult to pursue their studies but they are evidencing that "get up and go" spirit for which this Nation is famous. They are working hard for something important and, I am proud to say, they are well on the way to becoming tomorrow's leaders.

I have one objective in mind in citing these two instances, and that is to do all that I can to bring to light the fact that the administration's claim that 35 million Americans are poverty stricken is a gross misstatement of fact. The very same people who in 1960 falsely claimed that the prestige of our Nation was suffering abroad, are guilty of uttering equally false and damaging statements today. And these statements are seriously affecting our prestige in nations of the world that formerly regarded the United States as the land of opportunity and unlimited success. Political expediency still appears to be the rule of thumb in their actions.

Another area that demands attention has to do with existing programs that are operating and experiencing a marked degree of success in combating poverty. The American public is being led to believe that little or nothing is presently being accomplished to battle this most serious problem of poverty. If programs now underway are meeting the great challenge of combating poverty, why should the administration propose such a broad new plan. I believe that the answer is now quite apparent. November 3 will soon be here.

Let us look at the facts. Secretary of Health, Education, and Welfare Anthony Celebrezze, in testifying on the bill under discussion before the House Committee on Education and Labor, reported that at present the Federal Government has 42 different programs in operation to combat poverty. From the Bureau of the Budget, we learn that almost \$32 billion was appropriated for these programs during fiscal year 1964. We have food distribution programs, manpower development and training operations, low-income housing projects, unemployment compensation, accelerated public works. We have all these programs and many more too. And, I have not even touched upon the many, many State and local programs that also are in effect.

Do we, at the cost of billions of dollars to the taxpayers, need elaborate plans to duplicate those many programs that already are doing the main part of the job that has to be done? The answer is a most definite "No."

This administration and this Congress would do well to attack poverty by preserving jobs right here in this country. On many previous occasions, I have alerted our State Department to the devastating competition of foreign imports. I have stressed that our American standard of living was built into the cost of our manufactured products, making some trade protection necessary if industry in our country was to survive. This plea has been ignored and plants from my district have been closed as their operations have been transferred to new plants constructed abroad.

The loss of these jobs is indeed critical in my area but this experience is not unique. Countless communities around the country are likewise affected. I know there must be trade between nations and adjustments are required but let us be realistic. Let us remember the most effective solution to poverty is employment and do all in our power to preserve and protect the jobs of our domestic economy.

It is not enough to oppose a plan designed to tackle a problem even if one does not agree with that plan. There is an attending responsibility to propose an alternative solution to what problems may exist.

Even though it has been demonstrated that the war on poverty is presently being fought on several fronts, it may be that more action is needed. It is with a sincere desire to review what has been done and to evaluate what may be done to further combat poverty that I introduced H.R. 12152, a bill to establish a National Human Resources Development Commission to make a comprehensive and impartial study with regard to existing programs dealing with the problems created by poverty and to recommend a suggested course of future action to effectively erase poverty from the face of this Nation.

It would be far more sensible for Congress to be called upon to act upon the recommendations of such a commission than the makeshift proposals in the bill we have before us. Otherwise we may be guilty of waste and confusion. In the meantime we should employ effectively and promptly the weapons which have been provided.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. ANDERSON].

(Mr. ANDERSON asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON. Mr. Chairman, I feel constrained to speak briefly this afternoon on the so-called antipoverty bill because of some remarks that were made yesterday by the chairman of the Education and Labor Committee at the opening of debate on this measure. He, and also other speakers on the majority side of the aisle have stated that this bill, designed as it is—so they say—to get to the roots of the poverty problem and to eliminate the squalor and misery of those enmeshed in the chains of the poverty cycle is a matter of conscience and a moral issue. They imply, indeed they say with some considerable breast beating, that those who oppose this measure are indifferent to the 9 million families or the 35 to 40 million Americans who they say exist below the poverty line of \$3,000 of annual income for a family of four. They acclaim in self-righteous tones that the opponents of this bill are cold and calloused with respect to human needs; whereas they, the proponents, are gifted not only with the vision to see the need but the wisdom to prescribe the proper solutions to the poverty problem.

Now, Mr. Chairman, I realize full well that it is entirely consistent with human nature that we all seek self-vindication



for our beliefs and actions. But, Mr. Chairman, it is far more than such a desire to seek and attain self-vindication that prompts me to cast off the specious and empty charge of indifference to and neglect of human suffering as the reason for my opposition to the L.B.J. poverty package. Indeed, if I were disposed to consume my time in mere recrimination I would suggest that some of the leather-lunged orators and stentorian voices who have filled this Chamber with their sententious denunciations of one of mankind's most ancient foes—poverty—are the real culprits when the charge of cynicism and calloused indifference is made.

A former Princeton professor, Professor Emeritus Harley Lutz once said:

War on poverty is a slogan that can reasonably be expected to yield considerable political mileage. No one is in favor of poverty and criticism if a program purporting to deal with it is as risky, politically, as being in favor of sin or against motherhood.

Yet the odds are heavily against complete elimination of poverty by any kind of degree of government action. The dramatic announcement of the slogan may carry for some the implication that theretofore poverty had been tolerated, but that little serious thought or effort had been given to the amelioration.

Here I might digress parenthetically to note that it has already been abundantly pointed out that with 42 existing poverty programs in the Department of Health, Education, and Welfare alone, and with an estimated current annual poverty budget of around \$32 billion a year on the Federal level alone—the Johnson administration is not the first to seek to alleviate poverty.

But to conclude this particular thought I quote again very briefly from Professor Lutz:

The fact is that the whole history of economic progress is a record of the struggle against poverty in the sense of the scarcity or deficiency of goods in relation to needs. Everything that has been done to increase production from the most primitive tools and instruments to today's enormous complex of machines, materials, technology, and skills has broadened and strengthened the drive to minimize scarcity.

Mr. Chairman, we are fighting the war against poverty today on scores of different fronts as we must and should. The American people are helping in that battle with annual contributions on a voluntary basis of more than \$10 billion to churches, private and public charities, and foundations.

We, in the Congress, fought it in this very Chamber just 2 days ago when we approved a military pay raise. For it has been reliably estimated and reported that more than a million of our military personnel and their dependents would, on the basis of their annual cash income, fall below what has been described in this debate as the "poverty line." We fought it here a few days earlier when we approved a 5-percent overall increase to the beneficiaries under our social security system. Back in 1962 I recall voting for the so-called public welfare amendments to the Social Security Act. They were certainly designed to enable our welfare officials and administrators to more effectively and efficiently wage the

war against poverty by requiring certain recipients of public assistance to seek training or retraining in some useful capacity.

The Vocational Education Act of 1963 certainly must stand at the very head of the list of weapons that the Congress has sought to place at the disposal of the proper officials within the executive branch to fight both unemployment and underemployment, two of the root causes of poverty. Yet the States have not yet even been given the opportunity to implement the expanded programs authorized by this legislation before in a lot of sound and fury we find Mr. Shriver—L.B.J.'s personal chief of staff in the poverty war—talking about new programs with such glamorous names as VISTA to take up the slack.

As was pointed out so conclusively in the hearings on this bill, the opening section of the Vocational Education Act clearly states that its purpose is:

"To develop new programs of vocational education, and to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis, so that persons of all ages in all communities of the State—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, and those with special educational handicaps—will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of actual or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training."

Mr. Chairman, I ask the members of the committee if it is not feasible and infinitely wiser to implement the provisions of this act than to embark on a series of new and untried programs designed apparently to achieve the same objective.

Mr. Chairman, when we passed the Vocational Education Act of 1963, we also provided for new work-study programs with Federal compensation. We provided for residential vocational schools with all expenses paid for school dropouts or unemployed youths.

Mr. Chairman, the bill we are now asked to approve and for which we are asked to authorize an additional \$1 billion, in large part merely duplicates this legislation and piles new programs on top of similar and existing programs.

Mr. Chairman, when one begins to contemplate the folly of this ill-conceived legislation, you wonder if since Mr. Johnson ruled out Mr. Shriver as a vice-presidential possibility, there is not a certain desperate urgency behind the intensified efforts this week to make Mr. Shriver our new "Poverty Czar."

Mr. Chairman, as a Member of the 87th Congress I was among those who voted for the Manpower Development and Training Act. This act also makes provision for new opportunities for school dropouts and unemployed or un-

deremployed youths. It provides in short for new programs for the counseling and training of our youth. This act is likewise so comparatively new that our experience under it is still relatively limited. Yet now we are being urged to rush into a new, overlapping, and duplicate-type program.

The question has been very aptly put, Why would not the youth who might volunteer for a Job Corps be better advised to take advantage of the Manpower Training and Development Act or opportunities under the Vocational Education Act? How would the residential centers of the Job Corps differ materially or essentially from the residential-vocational schools envisioned in the Vocational Education Act? Why should the work-study courses of the Vocational Education Act under the Department of Health, Education, and Welfare be duplicated by work-training programs under the proposed Office of Economic Opportunity? These questions go unanswered.

Mr. Chairman, I think that there is a very fundamental ideological difference that separates those who are for and those who are against this bill. It is this fundamental difference in philosophy rather than indifference to the suffering of those who are rightfully classed as "poverty stricken" that has compelled me to the conclusion that I cannot in good conscience and on any moral basis support the text of the legislation that is before us.

On February 8, 1964, Gunnar Myrdal, the Swedish sociologist, wrote an article for the *New Republic* entitled "The Warm Poverty." In it appears this very significant quotation:

A common characteristic of all the reforms directed at raising the quality of the labor force and eradicating poverty in the midst of plenty is that the increased expenditure will be public expenditure. Even when poverty is gone, when there is little or no unemployment or underemployment, a relatively much larger part of the Nation's needs will have to be met by collective means. In the future society toward which we are moving, where our productive efforts will increasingly have to be devoted to the care of human beings, health, education, research, and culture, and to making our communities more effective instruments for living and working, public spending will be an ever larger part of total spending. This is because it is not very practical or economical, and in most cases not even possible, to rely on private enterprise for filling these types of demands.

Mr. Chairman, this most succinctly stated is, I believe, the great society of which President Lyndon Johnson now speaks since the New Frontier has passed into limbo in the lexicon of American political slogans. The great society is one which envisions an era where man becomes increasingly dependent upon the state and increasingly despondent of being able to achieve the goals of a better life through the mechanisms in the private sector of the economy.

Mr. Chairman, the antipoverty bill is merely one measure in a whole dreary series of such proposals that flow ever more swiftly from the maw of the Government apparatus which has spread its tentacles into every phase of American



life. It is conceived in the spirit of hopelessness with respect to the ability of the private American economy to properly produce and distribute the goods and services that our people need to lead happy and abundant lives. Mr. Chairman, I reject outright that philosophy of despair, and therefore and consistent therewith I must vote against this bill. Norman Thomas recently enthusiastically embraced this bill as a socialistic measure which really amounted to the adoption of a great part of his platform.

Mr. Chairman, the American people have in a series of free elections regularly rejected Mr. Thomas and his Socialist Party and platform. I think that when the Madison Avenue veneer is stripped from this bill they will likewise reject it as the means to solving the problem of poverty in the United States.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. McCULLOCH].

(Mr. McCULLOCH asked and was given permission to revise and extend his remarks.)

Mr. McCULLOCH. Mr. Chairman, I believe that a Congressman should be in his district to confer and visit with his constituents whenever official duties do not require him to be in Washington.

When Congress adjourns, I expect to return home and to be available for conferences and visits with residents of the Fourth District in the courthouse of each county seat between 8 a.m. and 4 p.m., in accordance with the following schedule:

Allen County, Lima: Thursday, August 27.

Auglaize County, Wapakoneta: Wednesday, August 26.

Darke County, Greeneville: Tuesday, September 1.

Mercer County, Celina: Monday, August 31.

Miami County, Troy: Tuesday, August 25.

Preble County, Eaton: Wednesday, September 2.

Shelby County, Sidney: Monday, August 24.

No appointments will be necessary. Any problems with, or opinions concerning, the Federal Government will be proper subject for conference.

Of course, I will be glad to see residents of the district, in my Piqua office, any time that Congress is not in session, except on the days scheduled above.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield the balance of the time to a member of the committee, the gentleman from Michigan [Mr. GRIFFIN].

(Mr. GRIFFIN asked and was given permission to revise and extend his remarks.)

Mr. GRIFFIN. Mr. Chairman, as the Members of this House well know, I have a warm affection and only the highest regard for the author of this particular bill, my good friend, the gentleman from Georgia [Mr. LANDRUM]. I sincerely wish it were possible on this occasion for me to rise and lend my support to this bill which bears his name—and I most certainly would do so if it would, in fact, achieve the noble and universal goal of curing poverty.

Among the members of our Committee on Education and Labor we have had our agreements—and we have had our sharp disagreements concerning the merits of various bills. Considering the emotional, political and highly explosive nature of the subjects which come before our committee—subjects with which we must necessarily deal, day in and day out, I think it quite remarkable and a tribute to the individual members of that committee that somehow—even despite an occasional lockout or sit-in—we still speak to one another. Indeed, we are friends, and find it possible to respect the sincerity of those with whom we disagree.

Having said that, I could not be true to my sense of conscience and my deep conviction if I did not say, with all the emphasis at my command, that this is the worst piece of legislation—and probably the most damaging to our constitutional Federal-State system of government—that has ever come from the Education and Labor Committee during my 8 years of service as a member.

If there is one bedrock principle upon which our political and economic system depends, and to which we have always pointed with pride, it is the fundamental principle that ours is a government of laws—not of men. A bill like this, which is so patently an outright transfer of legislative authority to the executive branch—a bill which actually creates a government of men, and not of laws—should and must be stricken down. Surely, no expedient or temporary political advantage can justify the enactment of this bill.

Some may wonder how could I use such harsh words with respect to this bill. In what way does it create and foster a government of men, rather than law?

The bill is referred to as a war on poverty—but where in the bill is there a definition of “poverty”? Have you look for it?

Does the bill, anywhere, define the most important term used in connection with this legislation? No. We are told in press releases and we are assured by the people in the administration that they know what the term “poverty” means. They say that anyone with an income of \$3,000 or less is considered poverty-stricken. But there is no such definition in the bill. Are we talking about a government of laws—or of men?

If \$3,000 of income is to be the yardstick, it should be kept in mind that families differ as to their size and their needs. And what about the couple with 500 shares of IBM stock. They would have an income of less than \$3,000 a year, but they would have assets of over a quarter of a million dollars. Mr. Shriver assures us that he would take such factors into account. But, we have only his personal assurance. There is nothing in this bill that draws meaningful lines or distinctions concerning the meaning of “poverty”; neither do we know how long Mr. Shriver is going to be Director of this particular program.

I could point to section after section to prove my point, but let me refer briefly in the short time available to page 42,

which is the program to assist migratory workers. If there is any area where the Congress ought to do something, it is in this field. We have jurisdiction because migratory workers are involved in interstate commerce.

But look at what this bill provides. Beginning in line 23 it says:

The Director shall develop and implement as soon as practicable a program to assist States and political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm organizations or individuals in establishing and operating programs of assistance for migrant agricultural employees etc.

Is not this a great way to legislate? We, the Congress, are not developing a program to assist migratory workers. In this bill we say that “the Director shall develop and implement” a program to assist migratory workers.

The bill provides no meaningful guidelines, no standards. The only limitations are that such programs “developed and implemented” by the Director should be within the general fields of housing, sanitation, education, and day care of children.

This is an example—but only an example—of the approach and philosophy of the entire bill.

The bill should be defeated; and I hope that there will be enough Members who will have the courage tomorrow to vote against this bill.

Mr. ROOSEVELT. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. RYAN].

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Chairman, America is the most prosperous nation in the world. Our factories produce more goods; we have the highest per capita income; we have the highest standard of living.

However, there is the “other America”—one-fifth of the Nation—living in poverty and deprivation in the subbasement of our society. These 35 million men, women, and children inhabit every region of the country—the rat-infested slums of Harlem, the dying towns of eastern Kentucky, the flat fields of Alabama and Mississippi, the depleted areas of upper Minnesota, and the reservations in Arizona. No State can boast that poverty is unknown within its borders, and no city can cover up its urban pockets of poverty.

Raw statistics cannot convey the depth of poverty in America, but they can bring home the magnitude of the problem. If we accept a yearly income level of \$3,000 for a family as the upper limit of poverty—and there are many who consider this estimate as too low—then there are fully 9.3 million families living below the poverty line. One-sixth of the young people in America, over 11 million children, are members of families living in poverty. And more than half of these families 5.4 million of them, with 17 million members—have yearly incomes below \$2,000.

But the statistics do not convey the true impact and extent of poverty in America. Who are the poor? The poor



are found in every State, among every race and religion in all age groups, and come from all levels of education backgrounds. But some groups are more heavily afflicted by poverty, not because they are lazy by nature and deserve their fate—as some would have us believe—but because they have been denied educational and job opportunities, or because their skills are outmoded in a technological age, or because they are too old or too young to fill a job, or because they live in areas filled with dying towns, as industries dry up and machines leave their hands idle.

There are more than a million migrant farmworkers in the United States. For their hours of backbreaking work in the fields, they earn an average annual wage of only \$1,164. Federal minimum wage laws do not cover migrant farmworkers; practically none of them have unemployment insurance; and they must work until they die, since very few are protected by social security.

In the Appalachian region of eastern Kentucky thousands of hardy and proud coal miners have been without jobs for several years. Some of them can earn from \$3 to \$10 a day scrabbling out coal in unsafe truck mines, but this work is rarely steady. In Kentucky's Perry County, 16,000 out of 36,000 people are on relief. The average unemployment rate in the seven-county area of eastern Kentucky hardest hit by the declining coal industry is over 50 percent. The 10-State region of Appalachia, with 16 million inhabitants, lost over 1.5 million in the 1950's through migration to the big cities in the North, and as the educated and the young flee this area in increasing numbers, it will become more difficult to pull Appalachia out of the bog of poverty.

Too many of the elderly are poor. Over 75 percent of those over 65 years of age have incomes under \$2,000 a year. Social security is often just enough to keep starvation at arm's length, and even the boost in social security payments made by this body recently is barely enough to mark time. A 1960 report by a Senate committee graphically noted the plight of the aged:

At least half of the aged—approximately 8 million people—cannot afford today decent housing, proper nutrition, adequate medical care \* \* \* or necessary recreation.

I cannot adequately portray the real effect of poverty; what it means to live in a slum, to lack an education or the skills to hold a decent job, or to face prejudice and bigotry, or to watch a town fall into despair and lethargy. But the facts of poverty must be faced, and we must mobilize our resources to attack the roots of the problem.

President Johnson has summoned America to a war on poverty. In his state of the Union message the President said:

Unfortunately, many Americans live on the outskirts of hope—some because of their poverty, some because of their color, and too many because of both.

More than 9 million American families are living in poverty, with total annual incomes of less than \$3,000 a year, less

than \$60 a week. These families, plus single individuals with incomes of less than \$1,500 a year, total about 35 million Americans—a fifth of our Nation living in a world of poverty.

Their world is without pride or privacy. Hope is nonexistent. Ambition is a myth. Most horrible of all, in this world, the disease of poverty is inherited. From father to son, mother to daughter, from one generation to the next, poverty breeds poverty.

Negroes make up about 10 percent of our total population, but they make up more than 22 percent of our poverty-stricken population. Seventeen percent of all white families suffer from poverty. But more than twice that, 44 percent of all American Negro families suffer in poverty.

In New York City, based on the 1960 census, we have some 317,000 families living in poverty—on incomes below \$3,000. That is about 18 percent of the population, almost one out of every five.

Negroes make up about 14.7 percent of the city's total population, but they make up 29.2 percent of the city's poor population. Puerto Ricans make up 7.9 percent of the city's total population, but they make up 18.8 percent of the city's poor population.

The recent unfortunate events in Harlem, Bedford-Stuyvesant, Rochester, and Jersey City underscore the frustration and despair which poverty produces. They underscore the urgency of an attack not on the consequences but on the causes—inadequate education, inadequate housing, inadequate job opportunity. For idle youth—out of school, out of hope—we must provide economic opportunity. We were warned about this social dynamite long ago. Time is running out.

Yesterday the gentleman from Georgia [Mr. LANDRUM] pointed out how in the past problems of poverty might be dealt with on an individual or group basis. For instance, the family could move to new land. But, he said, the frontiers which existed for our forebearers simply do not exist anymore. He is right. He recognizes the complexities of our modern industrialized, urbanized society, and the Committee on Labor recognizes them and has attempted to deal with them in the bill before us.

H.R. 11377 is a first skirmish in the war on poverty. One legislative measure will not conquer poverty, but "let us begin" in the words of John F. Kennedy.

We are debating whether or not to allocate less than \$1 billion to an attack upon poverty. That is about 1 percent of the total Federal budget. It is less than 2 percent of what we spend in defense. It is just \$33 per poverty-stricken American.

Under the allocation formulas, New York State would get no more than \$120 million.

In terms of New York State's 17 million people, and its huge poverty problems, it is little more than a drop in the poverty bucket. Both New York State and City have massive needs in adult education and in care of poor children. The State has more than a million residents 22 years or older who have less than a 6th-

grade education. Some 150,000 children in the State are members of families with total incomes of less than \$1,000 a year. And the New York City administration has claimed the city itself spends about a billion dollars a year on poverty—with no particularly dramatic effects.

From the statistics alone, it is obvious the Economic Opportunities Act is only a first tentative step toward meeting the problems of poverty and the potentials of our economy.

Mr. Chairman, now let us examine the specific provisions of the bill itself. Title I is designed to expand the opportunities for our youth to gain the education, skills, and experience needed to escape from the vicious cycle of poverty into which they were born.

In October of 1963, 730,000 of our youth were out of school and out of work—a figure which represents a 22-percent increase in a 1-year period. Left to itself, the problem will multiply. Title I includes three different programs aimed at reaching this group. The first of these is a voluntary Job Corps with camp-based programs of education and vocational training or conservation work for young men and women. The conservation camps will do more than provide basic skills and education; one of their goals is to change attitudes from indifference to interest, from resignation to ambition. Since poor environment is generally conceded to be one of the primary causes of poor educational achievement and lack of interest, it is extremely important to take our most deprived youth out of their usual environments. For any of the 72,000 New York youths who might be eligible for membership in the corps, this might well be the first time that they had ever been exposed to an atmosphere outside of overcrowded tenements.

The recently published Haryou study of Harlem's youth illustrates the magnitude of the problem in New York City. Only half of the children under 18 live with both parents; the median income of Harlem's residents is a bare 60 percent of the city's median income; Harlem's unemployment rate is more than twice that of the city; over 43 percent of Harlem's employed workers are employed in work that is not expanding or is being cut back; 90 percent of the area's buildings are over 33 years old; the infant mortality rate is almost double the city's as a whole. Approximately 41 percent of those entering high school drop out before graduation.

There is a high proportion of substitute and unlicensed teachers in the classrooms of Harlem's schools. With such figures as these, the need for a solution to the problems of deprived youth is clearly indicated. The Job Corps would be a beginning. It would not, as its critics claim, duplicate existing training programs, because only those who are ineligible for training in already existing programs would be eligible for service in the Corps.

Part B of title I provides another approach to the problems of disadvantaged youth by giving them work training experience in their own communities. Those who are school dropouts are eligi-



ble as well as those who are still in school. It is anticipated that the training offered in part B will enable potential dropouts to remain in school while at the same time preparing them for the job market upon their leaving school. An Additional useful purpose is served through the nature of the training—which is to be done through public and nonprofit community service agencies. The work accomplished is expected to provide a new and needed service to the community. This aspect of title I in no way duplicates the work-study program authorized in the Vocational Education Act of 1963. Under this act similar work experience is provided only to those in full-time attendance in vocational schools. This is only 20 percent of the total school population in the United States, and obviously the Vocational Education Act does not apply to the over 1 million of our youths who are out of school and out of work.

Part C authorizes college work-study programs where provisions for part-time employment will give financial assistance to the qualified but needy college student. The amount of financial assistance through scholarships available is not nearly enough to aid the able youth who come from low-income families. The provisions of part C are expected to benefit 140,000 students from low-income families per year and to make it possible for many of these students to attend college who would not otherwise be able to do so.

Title II provides a different type of solution to the problem of poverty. Its purpose is to encourage urban and rural communities to mobilize their resources to combat poverty through community action programs. A community action program to be eligible for assistance must provide services of sufficient size to give promise of progress toward the elimination of poverty. Employment, job training and counseling, health, vocational rehabilitation, housing, home management, and special noncurricular educational assistance are some of the fields in which the community action program should participate. The effect of this title would be to give new impetus to communities to attempt a coordinated effort at eliminating poverty. Coordination of all local public and private organizations working in the welfare field is expected to be an important result of this program. The community will be able to make a concerted attack against poverty in all its forms.

Mr. Chairman, I am concerned that local community action programs be closely supervised by the Office of Economic Opportunity. It will not be enough to authorize community action programs and leave their administration to local public and private agencies. For instance, under the Manpower Development and Training Act, the departments having jurisdiction too often have been too reluctant to step in and exercise proper supervision, too ready to yield to the demands of local and State autonomy. Layers of city and State bureaucratic redtape can strangle any worthwhile concept. It must not happen in this program.

Part B of title II establishes adult basic education programs with instruction provided for adults who are deficient in reading and writing the English language. Since this failure frequently results in unemployment, part B is one more provision aimed at reducing unemployment. In 1960, there were 8 million persons over 25 years of age who had had less than 4 years of schooling. Statistics show that the unemployment rate for those with low educational achievement is more than double that of adults who have had more years of schooling. A 1957 study in New York showed that almost a fifth of the mothers on the aid-to-dependent-children rolls had not completed the fifth grade and that half of the heads of families receiving general assistance had never gone beyond the sixth grade. I do not understand how the need for the provisions of part B can be denied.

Title III aims at yet another group of the deprived in our Nation—the rural poor. There are many loan programs for agricultural purposes currently administered by the Department of Agriculture, but the continuing existence of a large body of impoverished farmers has brought home the fact that the agricultural loans are not benefiting significant numbers of small farmers. The statistics on rural poverty bear this out. Nearly half the poor in the United States are in the rural areas. One in every three rural families has a cash income under \$3,000 a year; 6.5 million of the rural poor live on farms. A large proportion of these families are headed by individuals with extremely limited mobility because of age, lack of education, and training.

Section 302 provides assistance to families who are at the present time ineligible for loans for warm-operating purposes. The provisions of title III, part A, will enable the boxed-in farmer sufficiently to improve his position so that he may live in a self-sufficient manner on the farm.

Part B of title III provides financial resources to initiate programs in the fields of education, sanitation, housing, and day care services for migrant workers and their families. It is expected that the types of programs to be established will be similar to those outlined in detail in my bills H.R. 4903, H.R. 4904, and H.R. 4905.

The migrant in America has always been the forgotten man. Because he has no powerful lobbying force to champion his cause, he has been exempt from receiving the benefits of most of the welfare legislation of the past decades. In 1961, the average migrant worked only 116 days in the year and earned a total of \$1,123, according to estimates. There are almost 2 million people in this most impoverished group of our rural poor, 750,000 of whom are children who at the present time are offered no educational opportunities by many of the States in which they work. We cannot deny the existence of a part of our population on whose work so many of our large farmers depend. The plight of the migrant in America today is a disgrace in a country

whose agricultural resources are almost limitless, often because of migrant labor.

Title IV in effect is similar to the purpose behind part A of title III. Whereas title III broadens the rural loan provisions administered by the Farmers Home Administration, title IV extends the loan provisions of the Small Business Administration so that it will benefit the owners of very small family businesses. By helping such businesses to get on their feet, it is expected that they will be able to provide a needed source of jobs on the urban employment market.

Title V will give work experience and training to unemployed fathers and other needy persons on the welfare rolls. This is to be accomplished through the extension of programs now existing under the Social Security Act for experimental and demonstration projects.

Under title V the training programs are geared so that those currently on the welfare rolls may become self-sufficient. Public assistance is necessary for those who have no place else to turn. But it provides subsistence only. It deadens the spirit. It provides no encouragement, no incentive, no room for growth. Retraining when coupled with welfare will provide such incentive. It will give new hope to those who are desperately poor, encouraging them to develop the skills that will enable them to make their own way in our increasingly complex society.

Under title VI, VISTA—Volunteers in Service to America—is created as a domestic counterpart of the highly successful Peace Corps with the volunteers selected and trained to take part in specific programs connected with the war on poverty. This section incorporates many provisions of my bill, H.R. 5650, which I introduced last year, to establish a National Service Corps. This will provide a unique program to channel the enthusiasm and dedication of American youth in the attack upon the economic and social ills of our society.

Mr. Chairman, the programs which I have outlined, properly administered and carried out, can help lift thousands of Americans from poverty. However, the eradication of poverty will require a massive effort fought on many fronts. Other legislation will be needed.

Raising the minimum wage and extending coverage under the Fair Labor Standards Act can be one of the most effective weapons in the war on poverty. One statistic not widely known is that only 6 percent of those living in poverty are unemployed. Most of those who live in poverty are employed, but at such meager wages that their families are left without essential needs fulfilled. The poor who are employed are often underemployed or working at almost starvation wages. For example, Federal regulations establish a minimum wage for migrant farmworkers in Arkansas of only 60 cents per hour. Another example: In 1961, the average weekly wage of hotel and motel employees, who are not covered by the Fair Labor Standards Act, was \$45.54; for laundry workers it was \$49.28. Workers in these wage categories constitute the hard core of America's poor. I have urged that the Federal minimum wage be raised to at



least \$1.50 per hour, and coverage should be broadened to include many of those who work for wages below the poverty line. On May 13 I introduced H.R. 11237, to raise the minimum wage to \$1.50.

The House recently passed a bill to raise benefits under the Social Security Act by 5 percent, an average of \$4 a month. But the bill completely neglects the need for hospital insurance for the aged under social security. We cannot pretend to fight a war on poverty while ignoring the pressing health needs of our 17 million citizens over 65 years of age.

Mr. Chairman, let me turn to another matter. I am greatly disturbed by, and deplore, the intention of the Committee to accept the Senate amendment giving State Governors a veto over the establishment of conservation camps or training centers under title I. Furthermore, I understand the Committee intends not only to accept the other Senate amendment giving a Governor the veto power over private community action projects where they are not working with public agencies, but to extend it to include public agencies as well. So a Governor will be able to veto city programs within his own State.

This bill is addressed to a national problem. We must not let "States rights" choke off a solution.

Yesterday the gentleman from Georgia [Mr. LANDRUM] made the point that this bill offered education, training, and job opportunities in place of a dole, in place of public assistance. He cited statistics showing how much of the money spent in cities and States for public assistance comes from the U.S. Treasury.

Now it is proposed to give a Governor a veto, to let him stand between the poor and opportunity, to let him decide who in his State shall benefit from this far-sighted bill and who, for lack of opportunity and motivation, shall be relegated to the dole. By this veto the Governor will require the Federal Government to continue to pay the bill for poverty through public assistance and deny the Federal Government the means to provide motivation and training to change conditions for this and future generations.

Let us recognize this veto power for what it is—a device to keep the Negro in his place, to preserve segregation.

It has been said that no Governor would exercise this veto. Let me remind my colleagues that the State of Louisiana has refused to sign an agreement with the Federal Government for Manpower Development and Training Act projects. And as soon as Mississippi knew that projects would have to be integrated, plans for manpower development and training projects came to a halt.

And in 1963 in Leflore County, Miss., the distribution of Federal surplus food was cut off by a local veto. This coincided with a voter registration drive in Greenwood. What reason is there to believe that there is a willingness to raise the general standard of living of the Negro population in 1964?

I urge my colleagues on the committee to dispel this shadow of States rights

which would becloud the vision of this bill.

Mr. Chairman, in summation, this bill presents us with the opportunity to mobilize our resources and to get to the root of the problem of despair and hopelessness that is caused by poverty in this country. I think it is perfectly clear from recent events that have taken place in New York, Rochester, and Jersey City that this desperation does exist. These events underscore the need to attack causes.

Yesterday we were told by the distinguished gentleman from Georgia that this bill dealt with the causes and not with the consequences of poverty. I think he put it well. This is what we are going to do. We are asking this Congress to appropriate less than a billion dollars. That is about 1 percent of the Federal budget, about 2 percent of what we spend on defense; \$33 for each poverty stricken individual in this country. Yet we appropriate five times that amount of money without blinking an eye in mobilizing our scientific and technological resources to explore space. It is high time that we address ourselves to mobilizing our resources to explore and find solutions for the improvement of life here on earth. It is the challenge we face here today. Let us meet it.

Mr. ROOSEVELT. Mr. Chairman, I yield the remainder of the time to the author of the bill, whose courage, whose persistence, whose every effort to make this bill a success, are well known to all of us, the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I think I have not enjoyed any experience I have had in the Congress any more than I have enjoyed the experiences had with the Committee on Education and Labor, and particularly my dear, delightful, and able young friend, the gentleman from Michigan, BOB GRIFFIN.

I have said on many occasions that he is one of the most constructive men as well as one of the most able men that I have ever known. Yet he, like all men, is human and occasionally one does get his negative motors all revved up. The only trouble with Bob in this instance is that he has been going in reverse since last March. Up to that time he was going real well. But I have deep affection for him. I love him and admire him. This is one instance where I cannot agree with him that we are exactly uprooting the foundations of our economy by appropriating approximately \$1 billion, not to cure poverty, but to develop means of curing the cause of poverty. We are going after poverty causes, we are going to the root of poverty, the causes of it.

Might I ask my distinguished friend and the members of the committee, is there any real danger of destroying the fundamental economic foundations of this country by doing something that will increase the incomes, the employable skills, the employability of hundreds of thousands of people who are today unemployed because they have no salable skills? Is it endangering the economic welfare of this country, is it endangering the fiscal soundness of the dollar to take measures to stop this ever-increasing

cycle and growth of welfare, welfare, welfare, of paying people who can make no contribution to the Government and make no contribution to their own happiness?

I say to you, Mr. Chairman, it is time for America to move along with the sharpest swords that we can to break this cycle of the child of poverty becoming the parent of poverty.

Mr. FOGARTY. Mr. Chairman, I rise in support of this bill entitled the "Economic Opportunity Act of 1964." The other day I saw a photograph of a child—a hungry child—in a magazine advertisement—for CARE, I believe it was. He was only a bag of bones, and it might be too late for him already. A lack of food—vitamins—simple nourishment—may already have stunted his growth; given him rickets or worse.

Never mind; we can turn the page. We think, "Thank God, it can happen here."

Well, think again.

It has happened here. It does happen here.

You do not have to go very far—a few blocks from this building will do—to find children sleeping six in a bed, with bug bites swelling their bodies.

You can walk down an alleyway and find youngsters scrabbling through trash cans, trying to salvage something—anything—a little better than what they have or do not have.

They grow up this way, impoverished in body and mind. They learn things; yes, useful, negative things like how to avoid the rent collector, how to stay out of the way of the police, how to stretch out unemployment payment periods.

Mainly they learn to survive. It is not easy, and it is not being made any easier by our attitudes toward them.

Moreover, we have somehow managed to lump the poor all together—the worker and the drug addict, the simple-minded and the antisocial—and we say that maybe that is the way things ought to be; that if there was any good in these people, they would not be poor.

We have found a perfect place for them: under the carpet. We build great new highways to go around and above where they live. If their homes are too much of an eyesore we tear them down—and send the tenants to overcrowd another slum.

We do everything we can except weed out the roots of poverty.

When impoverished people have more children than they can afford to raise, we shake our heads; and we are surprised by their seeming indifference to tomorrow. For some reason, we expect the poor to have the same standards and values that we do.

F. Scott Fitzgerald once remarked that "the very rich are different from you and me." Well, so are the very poor. For one thing, they are constantly reminded of differences between their lives and our lives; and, in too many cases, tragically enough, learn to hate anyone better off.

Some of the embittered are part of an increasing force of youngsters—1 million today—who are out of school and out of work. These young people, rang-



ing in age from 16 through 21, come from urban slums and rural backwaters. A large number of them have failed the Selective Service examination. Some belong to juvenile gangs. Almost all are caught in the squeeze of poverty.

Dr. James Conant has described these youngsters as "social dynamite." He may be understanding. J. Edgar Hoover's report on crimes committed in 1963 reveals that 50 percent of the arrests made for burglary and larceny involved young people under the age of 18. Further, they committed 63 percent of the auto thefts in the United States.

As our teenage population continues its rapid growth in the years ahead, these out-of-work, out-of-school young men and women will gradually swell the ranks of the unemployed to an increasingly dangerous level. Harlem and Rochester, ominously enough, may be a portent of things to come. Outcasts and castoffs have very few other ways of calling attention to their plight.

Today we are spending \$26 billion a year on crime prevention. Tomorrow the prospect is for a greater expenditure—for crime prevention and for unemployment compensation. There is only one alternative: Invest now in the rehabilitation of these young people. In other words, treat the cause, not the effects.

The Job Corps program presented by President Johnson in his Economic Opportunity Act offers a plan to do just that—a plan for salvaging these wasted human resources while they can still be diverted into constructive channels.

During the next fiscal year, the Job Corps will take 40,000 young volunteers from deprived families; it will take them out of substandard environments and place them in wholesome conservation camps and job training centers. It will see to it that they have good food, clean clothing, fresh air, and responsible adult supervision.

The program will focus on the 16-through 21-year-old youngster who needs basic education and a new environment to equip him for employment in our society. It will teach these youngsters reading, writing, and a trade—but, most of all, it will teach them how to use the vast opportunities available in this country today.

No teenager in the Job Corps will ever have to feel alone and unguided. In each conservation camp, for instance, there will be 3 basic education teachers and 1 health and recreation instructor for every 100 enrollees. Work projects will be supervised by from 7 to 10 counselors assigned to each 100 trainees.

Experienced forest rangers, wildlife experts, and the like will be on the camp staff. The volunteers will learn from them such skills as basic surveying, truck driving, carpentry, cooking, even simple engineering.

As the Department of Interior knows too well, there is plenty of work for the volunteers to do. There are rutted roads to be repaired, there are lakes to be restocked, there are reforestation projects in desperate need of extra hands. There is no room for "make work" here.

The backlog of things to be done is too great.

Through work and through schooling, the Job Corps proposes to give these poverty-trapped youngsters a sense of purpose. It wants to develop a feeling of worth in them and pride in a job well done.

Volunteers with a higher level of skills and a more developed sense of responsibility can be enrolled at once in job training centers. Here they will have access to practical vocational training. They will be working with job counselors, and these jobs counselors will be directly in touch with potential employers. The counselors can and will be in a position to give the trainee comprehensive advice on the job market situation. They can help him find the most suitable place for his specific talents and they can work with him to develop those talents.

These centers will be similar to the camps in that both will be residential and offer academic as well as vocational training.

For an estimated 20,000 training center students, there will be some 3,000 staff personnel, including basic education teachers, vocational instructors, health-recreation teachers, and administrative and support personnel.

Each volunteer for the Job Corps will be receiving a living allowance ranging from about \$30 to \$50 a month, depending upon the location of the camp and the services provided. An additional amount will be paid for assigned leadership duties, and upon finishing the course, each member will receive a separation payment of \$50 for each month of satisfactory participation.

Volunteers may also allot \$25 of this money to a dependent. If they do, the Office of Economic Opportunity will match the payment.

Of course, the trainees can leave the program at any time. Some, naturally, will. But hopefully, the vast majority will stay for 10 to 12 months, depending upon the courses they are enrolled in. When they do leave, they can take with them new skills and new confidence and hope for the future.

Separate from the Job Corps, title I of the President's antipoverty bill authorizes a work-training program. This will allow grants to State and local governments and to nonprofit organizations to create full-time, and part-time jobs for the 16- to 22-year age group. These jobs will be developed in the youngsters' own home areas and could provide work for up to 200,000 youngsters in the first year alone.

Every town, every city, every area in this country has some work that needs doing. In many places, hospitals would welcome extra help for nurses; schools could do with more clerical aid; parks need help for putoff landscaping projects.

Whatever is to be done, local groups will organize, plan, and supervise. They will see to it that the jobs offered will meet three main requirements: First, that they provide experience and increase the employability of the youngster; second, that they be in the public interest

and would not otherwise be done; and third, that they not cause the displacement of anyone now employed.

You know, some of those boys you see hanging around on street corners, they are there because the only place they have to go is "out"—and sadly, the only thing they have to do is "nothing." The pickup jobs available even in my youth do not exist today. Some have been automated out of being. Some—like carrying blocks of ice from the ice house—have disappeared with the times. Others—like fence painting and grass mowing—have become leisure-time occupations for the rest of us. Things have come to the point where we can "do it ourselves"; improved methods and materials make it possible—but not too long ago, these were jobs and we employed young people—and old people—to do them.

It is not so much that we have to make new jobs to replace those which, as the Pentagon people would say, are "phased out"—it is more a matter of looking around and seeing, recognizing what remains to be done. We have to open our eyes and see the situation as it is today and as it might be tomorrow. We have to plan for the future, not just let it drop on us.

There is work to be done, all right, and there are plenty of idle hands to do it. The push, the incentive—these are the things that have been lacking. If it takes the U.S. Government to play "Marryin' Sam" and put the two together, then let us get on with it.

We owe this to our young people. We owe it to our old people, too. Too many of the aged and aging are pushed into poverty because they can no longer find work—because medical bills eat up their savings; because they don't know where to look for help.

The community action program of the Economic Opportunity Act can help to rescue these people. Faced with the problems of the old and impoverished, the community can act; it can draw upon the financial resources of the Office of Economic Opportunity for a start.

The two most severe problems of the elderly are failing health and loss of spirit. The community action program will fight both. Through expanding outpatient services, using home nursing aids, creating neighborhood service centers, and involving the elderly as workers in local service projects, the community action program will enable communities to improve the health services and general living conditions of the aged.

The elderly face isolation and boredom. Their world is frequently limited to the four walls of a rented room. It will be the job of workers in the community action program to seek out these hidden aged and lead them to health, recreational and welfare services.

Local neighborhood centers, developed as part of the community action program, will be in easy access to these elderly people. Through them, health, recreation, and social welfare services will be available on a neighborhood basis.



But the elderly need more than services. The community action program would call on talented retirees to work in local programs. It would use them to reach young people and adults themselves in need of help. These retirees could work as teachers, tutors, aids in child day care centers; even as leaders in some recreation programs. In this way they would remain a vital part of the local community.

Another way to attack the problem is before it becomes a problem. I believe the Older Americans Act which I have proposed can deal effectively in this area, supplementing the work and goals of the Economic Opportunity Act. Through research and technical aid—foresight and planning—we can work to eliminate some of the difficulties of the elderly before they arise.

Briefly, it is the purpose of H.R. 10088 to create an operating agency known as the Administration on Aging within the Department of Health, Education, and Welfare.

This new agency would serve as clearinghouse of information on problems of the aged and aging. It will help in all matters pertaining to the aging. It will administer grants, develop and conduct research and demonstration programs in the field of aging, provide technical help to State and local governments dealing with the problem. It will prepare and publish educational materials dealing with the welfare of older persons, and collect statistics having to do with them. In general, it will stimulate more effective use of resources now in existence.

The bill authorizes \$5 million for the fiscal year ending June 30, 1965, \$8 million for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, and each of the 2 succeeding years such sums as Congress may appropriate in grants to the States for community action.

It further authorizes \$1.5 million for the fiscal year ending June 30, 1965, \$3 million for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, and for each of the 2 succeeding fiscal years such sums as Congress may appropriate. These funds will be used by the Secretary of Health, Education, and Welfare to carry out the purposes of the act and to provide the services and assistance needed by private or nonprofit private agencies, organizations, and institutions.

As President Kennedy said in his special message to Congress on elderly citizens:

The heart of our program for the elderly must be opportunity for and actual service to our elder citizens in their home communities. The loneliness or apathy which exists among many of our aged is heightened by the wall of inertia which often exists between them and their community.

We must remove this wall by planned, comprehensive action to stimulate or provide not only opportunities for employment and community service by our elder citizens but the full range of the various facilities and services which aged individuals need for comfortable and meaningful life.

This is the goal of the Older Americans Act. The Economic Opportunity Act

equally aspires to using all the capabilities of all the people.

In the rich world we live in, we wastefully throw away too much that isn't worn out. Sometimes we even discard the unused—for instance, the young person born bright but poor.

Is poverty a good reason to let these talents go to waste?

Hardly.

This is a fiercely competitive world, and we need every bit of help we can get to stay on top of it. If, as is often the case, the only way a boy or girl from a low-income family can go to college is by working at the same time, well, then by all means, let us make certain there are jobs for them.

This bill would authorize \$72 million to, in effect, guarantee them jobs. The authors of this bill envision approximately 140,000 part-time jobs being made available to needy students. Ninety percent of the costs will be financed by the Office of Economic Opportunity. Ten percent will come from the individual employer—probably colleges and universities which will be in the position of both needing and giving help.

This is a two-way proposition for the Nation, also. The money we spend in this area will come right back to us. When you increase a person's earning power, you increase the gross national product. We get returns in taxes and in money put into circulation.

The psychologists say a child is a product of both heredity and environment. We cannot do anything about heredity, but we have immense power when it comes to environment.

It is like blocking a river to make a dam: We can control the river then, keep it from overflowing its banks and flooding homes and farmlands, and we can change its course and make it go where it does the most good.

Today, with virtually bottomless intellectual and technical resources, we can effect the same substantial changes in the life of a child. It seems almost a miracle. We can catch a falling boy and turn him right around to go the other way—up—and we can hold him steady when he totters and set him straight on the road to achievement. We have the ability. We must use it.

The great society envisioned by President Johnson will be the result of how we use these tremendous tools. We can build great buildings, we can fill our homes with every luxury imaginable, we can create comfortable, swift means of transportation; but our society is a society of human beings and it succeeds or fails, depending on how well its members accommodate one another. The poverty we must eliminate is the poverty of opportunity; above all, the poverty of spirit that blinds one man to the justified needs of another.

Mr. BYRNE of Pennsylvania. Mr. Chairman, we live in the strongest, richest Nation in the history of man. The average American takes for granted luxuries that would have dazzled the greatest monarchs of antiquity. Never in history have so many had so much to be thankful for.

Yet our prosperity, although great, is not universal. It is spotted with pockets of poverty. By conservative estimates, one-fifth of our people live in deprivation.

This poverty knows no geographical limits. There is not a Member of Congress who does not number some of America's poor among his constituents. It strikes the young and the old, the black and the white, the rural and the city dweller alike.

Today's poor stand in danger of being cut off from the mainstream of American progress. Technological advances, and increasing educational requirements make it unlikely that many of them will ever hold a job unless major steps are taken to train them. And the worst part of poverty is that it so often is passed along from one generation to the next.

Statistics can tell part of the story. In my own district, according to the 1960 census, there were 13,211 of our 97,003 families living on incomes of less than \$2,000 a year.

We may disagree over the best definition of poverty, but who would argue that a family in a major American city can live decently on less than \$2,000 a year?

Also in my district, we find 11 percent of the adults with less than a fifth grade education, and an average of 9 years of school completed.

We recognize that not everyone can be a college graduate, but who would argue that a ninth grade education is enough to cope with the complexities of modern society?

No matter how much progress we have made, I am not satisfied when decent people live in rat-infested slums, when able men cannot find jobs, when children drop out of school to enter a life of frustration.

There are those who say the poor have only themselves to blame for their plight. If you are poor, they say, you must be lazy or stupid.

I disagree emphatically. There are, among the 35 million poor in America, 11 million children. Are these children lazy or indolent? No, their only offense was being born to the wrong parents.

I say that our society has a moral obligation to help its 35 million poor people work their way into the mainstream of American life. And I believe that to help the poor is to strengthen our national economy. As the President says, we can make taxpayers out of tax users.

That is what the Economic Opportunity Act would do. Its three youth programs in title I do not provide handouts; they provide jobs for boys and girls who want to better themselves.

The community action program does not provide a Federal blueprint; it calls for local initiative and local leadership.

The aid to the rural poor and aspiring small businessmen is in the form of loans that will serve as pump primers, and will be repaid.

The VISTA program calls for an army of idealistic Americans of all ages, to bring the spirit of the Peace Corps to our own pockets of poverty.

This legislation makes sense. It recognizes that our Nation has the resources



to eliminate poverty, and commits us to that noble end.

It provides no overnight solutions. Rather, it will lay the foundation for victory in the most compassionate war in man's history—President Johnson's war against poverty.

Mr. HALPERN. Mr. Chairman, I rise to express my support for the measure before us. In fact, I feel so strongly about the need for this type of legislation that I have joined in its sponsorship, my bill being H.R. 11906.

It is naturally true that the legislation will not, in one sudden sweep, completely cure the substance and source of economic deprivation in this country. There never has been a society which has fully eradicated this element. It would be a critical misinterpretation of the pending legislation to presume that it can erase all poverty in America.

But I am convinced that the Nation must make a beginning toward addressing itself to these problems. Although every year our per capita income will increase, a minority of millions will be unaffected simply because they lack the basic wherewithal to make a start. Although we are supposedly sailing forth in an unprecedented growth period, the unemployment level remains above 5 percent of the working force, and this idleness centers among the unskilled and uneducated and among minority groups.

Records in company profits, machine tool orders, gross national product, savings, income, total consumption, and construction are denoted each month. America has reached a plateau of prosperity unmatched in history.

Let it not be said, however, that all Americans are sharing in this great wealth. There are millions of families to whom these business statistics are meaningless. They are the people to whom this legislation is addressed. In simple truth, these families lack the fundamental ingredients such as basic education which can mean the difference between opportunity and stagnation.

The Council of Economic Advisers estimates that in 1962 about 9.3 million families of 4 had an annual income approximating \$3,000. This represented 20 percent of American families. The Twentieth Century Fund found that about 1 family in every 10 families of 4 members or more had an income of less than \$2,500 which it defined as abject poverty.

There are two factors that are crucially important when speaking of poverty. On the one hand, deprivation is a cyclical characteristic. Chances are that it will be repeated from one generation to the next in any particular family.

The second element concerns the means whereby this condition can in some way be alleviated. If government has a role to play—which I believe it does—then it must aim its policy at the source. Programs, therefore, should be substantially directed toward the youth of the country.

H.R. 11377 fulfills this criteria. Title I is concerned with youth programs. Efforts will be made on a community basis to enhance the employability of young men and women.

Another program would enlist graduate and undergraduate students in part-time work at colleges, universities, public agencies, or nonprofit organizations so that they will have the financial means to continue their studies. The project is limited to low-income families.

The Job Corps plan will enroll youths for basic education and vocational training, laying the basis for their future employability—in the economic society.

Mr. Chairman, let me conclude by saying that our viability and capacity as a great world power depends as much upon what we do at home as upon the naked instruments of military preeminence. The durability of our society rests upon the ability of the people's representation to grasp critical and often subtle problems which corrode the fabric of that society. I am concerned about millions of Americans who, because they lack the most basic tools of winning a livelihood, are left behind in the wake of economic prosperity. History will judge whether the majority were so preoccupied with enjoying the fruits of material comfort that they failed to uncover the ugliness beneath the lid. It is our great obligation to unearth means whereby those who are left in poverty, unwittingly so, are granted the opportunity to learn basic skills so that they too can fulfill a meaningful role in American society. In my mind there is no more urgent objective than this.

Mr. FRASER. Mr. Chairman, I rise in support of H.R. 11377, popularly known as the war on poverty bill.

There has been some talk about this program as being a "political gimmick"—a giveaway program. It is true that it is political. Politics is government, and government is helping people do what they cannot do for themselves. There is nothing suspect or wrong with this. It is our highest duty and we should pursue it vigorously.

H.R. 11377 could be the most important bill passed by the 88th Congress. It will be recorded in legislative history as our declaration that poverty in the United States can be eliminated.

Poverty is a complex and varied problem, and its causes are numerous. The solutions to it are hard to come by. Most poor people in America are not poor because they are lazy or lack initiative. The poor, in the words of one author, "are not basically different from their fellow Americans. But they have had the bad luck to be born in a poor region, or to be trained for a dying or automating industry. They may have dark skins. They may be sick. They may have lost their jobs after they were 40 years old—too old to find new jobs but not old enough to die. Or, like the American Indians and the small farmers, they may merely have been born into an obsolete culture."

These people can be helped. They do not need welfare. They need and deserve a helping hand. Ignoring the needs of the poor will only drive them to greater despair and place more and more of them on our relief rolls.

President Johnson's program will work because it is not a welfare or handout program. It will give underprivileged

people the opportunity to help themselves. Through education, work experience, and vocational training programs the disadvantaged youth of America will have an opportunity to qualify for a decent job and become productive citizens in our society.

Some people are saying this is a Federal "grab for power." But the work already being taken by local organizations around the country indicates that this will not be a federally dominated program. The community action section of the bill enables those who are most familiar with local problems to work toward the elimination of poverty.

When the bill was first introduced in Congress, Mayor Naftalin of Minneapolis, which I represent, asked the Hennepin County Health and Welfare Council to set up a committee to study poverty in Minneapolis and to work with whatever Federal agencies were given responsibility for the antipoverty program.

This committee has been established and is representative of local agencies as well as the community at large. Representatives of Government, business, welfare, labor, education, religious and community organizations are included on the committee. The committee has already set about its work of identifying the areas of poverty in our city.

The administration's poverty bill is only part of the overall effort we must make in the United States to eradicate poverty. This bill will complement the other measures we have passed in this Congress—such as the food stamp plan, the tax cut, the many aid-to-education bills, mass transit, social security increase, the civil rights act, and, we hope, hospital insurance under social security.

I urge that we demonstrate by our vote on this bill that the unconditional declaration of war on poverty made by our President has our full support. It is time now for America to act to brighten the future of millions of its citizens.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Act of 1964".*

Mr. ROOSEVELT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States, had come to no resolution thereon.

#### CRIMINAL JUSTICE ACT OF 1964

Mr. CELLER submitted the following conference report and statement on the bill (S. 1057) to promote the cause of criminal justice by providing for the



representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the United States.

#### CONFERENCE REPORT (H. REPT. NO. 1209)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1057) to promote the cause of criminal justice by providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the United States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: That this act may be cited as the "Criminal Justice Act of 1964."

Sec. 2. Title 18 of the United States Code is amended by adding immediately after section 3006 the following new section:

"§ 3006A. Adequate representation of defendants

"(a) CHOICE OF PLAN.—Each United States district court, with the approval of the judicial council of the circuit, shall place in operation throughout the district a plan for furnishing representation for defendants charged with felonies or misdemeanors, other than petty offenses as defined in section 1 of this title, who are financially unable to obtain an adequate defense. Representation under each plan shall include counsel and investigative, expert, and other services necessary to an adequate defense. The provision for counsel under each plan shall conform to one of the following:

"(1) Representation by private attorneys;  
 "(2) Representation by attorneys furnished by a bar association or a legal aid agency; or

"(3) Representation according to a plan containing a combination of the foregoing. Prior to approving the plan for a district, the judicial council of the circuit shall supplement the plan with provisions for the representation on appeal of defendants financially unable to obtain representation. Consistent with the provisions of this section, the district court may modify a plan at any time with the approval of the judicial council of the circuit; it shall modify the plan when directed by the judicial council of the circuit. The district court shall notify the Administrative Office of the United States Courts of modifications in its plan.

"(b) APPOINTMENT OF COUNSEL.—In every criminal case in which the defendant is charged with a felony or a misdemeanor, other than a petty offense, and appears without counsel, the United States commissioner or the court shall advise the defendant that he has the right to be represented by counsel and that counsel will be appointed to represent him if he is financially unable to obtain counsel. Unless the defendant waives the appointment of counsel, the United States commissioner or the court, if satisfied after appropriate inquiry that the defendant is financially unable to obtain counsel, shall appoint counsel to represent him. The United States commissioner or the court shall appoint separate counsel for defendants who have such conflicting interests that they cannot properly be represented by the same counsel, or when other good cause is shown. Counsel appointed by the United States commissioner or a judge of the district court

shall be selected from a panel of attorneys designated or approved by the district court.

"(c) DURATION AND SUBSTITUTION OF APPOINTMENTS.—A defendant for whom counsel is appointed shall be represented at every stage of the proceedings from his initial appearance before the United States commissioner or court through appeal. If at any time after the appointment of counsel the court having jurisdiction of the case finds that the defendant is financially able to obtain counsel or to make partial payment for the representation, he may terminate the appointment of counsel or authorize payment as provided in subsection (b), as the interests of justice may dictate. If at any stage of the proceedings, including an appeal, the court having jurisdiction of the case finds that the defendant is financially unable to pay counsel whom he had retained, the court may appoint counsel as provided in subsection (b) and authorize payment as provided in subsection (d), as the interests of justice may dictate. The United States commissioner or the court may, in the interests of justice, substitute one appointed counsel for another at any stage of the proceedings.

"(d) PAYMENT FOR REPRESENTATION.—An attorney appointed pursuant to this section, or a bar association or legal aid agency which made an attorney available for appointment, shall, at the conclusion of the representation or any segment thereof, be compensated at a rate not exceeding \$15 per hour for time expended in court or before a United States commissioner, and \$10 per hour for time reasonably expended out of court, and shall be reimbursed for expenses reasonably incurred. A separate claim for compensation and reimbursement shall be made to the district court for representation before the United States commissioner or that court, and to each appellate court before which the attorney represented the defendant. Each claim shall be supported by a written statement specifying the time expended, services rendered, and expenses incurred while the case was pending before the United States commissioner or court, and the compensation and reimbursement applied for or received in the same case from any other source. The court shall, in each instance, fix the compensation and reimbursement to be paid to the attorney, bar association or legal aid agency. For representation of a defendant before the United States commissioner and the district court, the compensation to be paid to an attorney, or to a bar association or legal aid agency for the services of an attorney, shall not exceed \$500 in a case in which one or more felonies are charged, and \$300 in a case in which only misdemeanors are charged. In extraordinary circumstances, payment in excess of the limits stated herein may be made if the district court certifies that such payment is necessary to provide fair compensation for protracted representation, and the amount of the excess payment is approved by the chief judge of the circuit. For representation of a defendant in an appellate court, the compensation to be paid to an attorney, or to a bar association or legal aid agency for the services of an attorney, shall in no event exceed \$500 in a felony case and \$300 in a case involving only misdemeanors.

"(e) SERVICES OTHER THAN COUNSEL.—Counsel for a defendant who is financially unable to obtain investigative, expert, or other services necessary to an adequate defense in his case may request them in an ex parte application. Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the defendant is financially unable to obtain them, the court shall authorize counsel to

obtain the services on behalf of the defendant. The court may, in the interests of justice, and upon a finding that timely procurement of necessary services could not await prior authorization, ratify such services after they have been obtained. The court shall determine reasonable compensation for the services and direct payment to the organization or person who rendered them upon the filing of a claim for compensation supported by an affidavit specifying the time expended, services rendered, and expenses incurred on behalf of the defendant, and the compensation received in the same case or for the same services from any other source. The compensation to be paid to a person for each service rendered by him to a defendant under this subsection, or to be paid to an organization for such services rendered by an employee thereof, shall not exceed \$300, exclusive of reimbursement for expenses reasonably incurred.

"(f) RECEIPT OF OTHER PAYMENTS.—Whenever the court finds that funds are available for payment from or on behalf of a defendant, the court may authorize or direct that such funds be paid to the appointed attorney, to the bar association or legal aid agency which made the attorney available for appointment, to any person or organization authorized pursuant to subsection (e) to render investigative, expert, or other services, or to the court for deposit in the Treasury as a reimbursement to the appropriation, current at the time of payment, to carry out the provisions of this section. Except as so authorized or directed, no such person or organization may request or accept any payment or promise of payment for assisting in the representation of a defendant.

"(g) RULES AND REPORTS.—Each district court and judicial council of a circuit shall submit a report on the appointment of counsel within its jurisdiction to the Administrative Office of the United States Courts in such form and at such times as the Judicial Conference of the United States may specify. The Judicial Conference of the United States may, from time to time, issue rules and regulations governing the operation of plans formulated under this section.

"(h) APPROPRIATIONS.—There are authorized to be appropriated to the United States courts, out of any money in the Treasury not otherwise appropriated, sums necessary to carry out the provisions of this section. When so specified in appropriation acts, such appropriations shall remain available until expended. Payments from such appropriations shall be made under the supervision of the Director of the Administrative Office of the United States Courts.

"(i) DISTRICTS INCLUDED.—The term 'district court' as used in this section includes the District Court of the Virgin Islands, the District Court of Guam, and the district courts of the United States created by chapter 5 of title 28, United States Code."

SEC. 3. Each district court shall within six months from the date of this enactment submit to the judicial council of the circuit a plan formulated in accordance with section 2 and any rules and regulations issued thereunder by the Judicial Conference of the United States. Each judicial council shall within nine months from the date of this enactment approve and transmit to the Administrative Office of the United States Courts a plan for each district in its circuit. Each district court and court of appeals shall place its approved plan in operation within one year from the date of this enactment.

SEC. 4. The table of sections at the head of chapter 201 of title 18 of the United



proceeds of a hat passed among old friends to pay a grocery and milk bill.

Most communities pay out more for rabies shots to keep their dogs from going mad than to benefit the family of an officer killed in the line of duty by a person gone mad.

In this year of rising lawbreaking and crime, police officers are unsung heroes. In many communities they are on the receiving end of contempt, abuse, and violence.

Recently in Lansing, Mich., for example, a police officer attempted to take into custody a man he had disarmed after a scuffle. A crowd of 100 bystanders protested against his action so aggressively he was unable to make the arrest until additional police arrived.

The majority of us, of course, abhor this type of treatment and truly appreciate the services rendered by law officers. But we are silent about it. We say nothing and do nothing to encourage law officers.

How long has it been since you complimented a policeman on the work he is doing? The sad truth is the compliments are few and far between, but the verbal abuse plentiful.

In remaining silent and unappreciative, we unwittingly strengthen the hand of the criminals, the subversives and the rabble rousers whose objective is to weaken law and order. Police work as a career daily becomes less attractive, and recruitment of capable officers becomes more difficult.

We can all have a part in leading a crusade back to law and order by honoring police officers and their families in a significant meaningful way. We can all have a part in rebuilding the moral fiber of the police establishment itself at every level, including the dedicated man walking the beat in your block.

We can reaffirm our faith in the laws we have enacted and the men we have delegated to defend them. We can do so, not so much to ease the Nation's conscience—though easing is in order—but rather to express our support for authentic American heroes and the way of life they make possible.

At a convention of the Department of Illinois American Legion, I recently proposed that the American Legion establish a fund which will give assurance to every policeman in the United States that if he dies in the line of duty any financial problems confronting his widow and children will be adequately and properly met, including a regular income to the widow until the children reach the age of 18.

I suggest that the fund be known as the police heroes benefit fund, that it be operated by a special American Legion commission and that resources be raised by voluntary public subscription.

This new responsibility is a logical one for the American Legion, dedicated as it is to strengthening the American way of life, in which law and order is so fundamental. I am sure the Legion, if it decides to take up this new opportunity for service, will find many American citizens and business firms anxious to provide the money needed.

The establishment of the police heroes benefit fund could be a significant step in reversing the trend toward lawlessness, in building respect for law and order, and in keeping safe the streets and byways of America.

My 10 minutes are up. Crime—like time—marches on. Forty major crimes have been committed, including one forcible rape, three aggravated assaults, two armed robberies, 20 burglaries, 10 automobiles stolen, and 10 other larcenies. And during the last 3 days, somewhere in America, a police officer was killed in the line of duty.

#### OPPOSING ANTIPOVERTY BILL

(Mr. HARVEY of Indiana (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HARVEY of Indiana. Mr. Speaker, I rise in opposition to H.R. 11377. Before I mention some of my reasons for opposing this bill, however, I want to say that the bill's authors have written it so cleverly that anyone daring to voice an opinion against it would, therefore, necessarily be against "economic opportunities."

As one who considers a lack of economic opportunities one of the most important domestic issues facing our Nation, I am glad for this time to set the record straight on my position.

I, for one, will acknowledge that there is definitely a problem. As one who has concerned himself with the practical side of the problem rather than the academic side, I think something can be done to help our less-fortunate citizens in lower-income brackets. However, and I want to make this point perfectly clear, I do not think the enactment of the anti-poverty bill is the answer. In fact, I think it is the worst thing we could possibly do if we are to really cure the causes of unemployment.

Some of my good friends on the other side of the aisle have said on occasion that the Republicans in Congress are obstructionists for taking a position of opposition against H.R. 11377. Let me say first that I do not consider myself the spokesman for all the Republican Party, but I am the spokesman for RALPH HARVEY and I say the Federal Government has no business in undertaking a program of this magnitude. It is fiscally unsound and it will not cure the problems outlined by those who have sponsored this legislation.

Money funneled into the Treasury for redistribution to pockets of poverty and unemployment is not, in my opinion, the answer to this problem. The Federal Government needs to consider, and we here in the Congress should be concerning ourselves with, something other than more handouts and doles. A program that will create an economic climate where private investment in capital equipment would be encouraged, thereby paving the way for the construction of factories, would ultimately provide the answers to the unemployment and poverty questions.

The training of men and women as proposed in this legislation is all well and good, and I am not challenging the good intentions of the people responsible for H.R. 11377. But I do say that there must be jobs waiting for these men and women when their training is completed.

I recently read an article which asserted that an investment of nearly \$18,000 was required to employ one person in a factory in America. This is a staggering figure; nevertheless, I do not doubt that this figure is accurate.

In the United States today there are millions of people with money, money that could be invested in private enterprise if the business climate was right. Thrift institutions are bulging at the seams with people's savings. Why, then, do we find many citizens afraid and unwilling to invest in private business ventures? Why are they afraid to take a chance? Why the fear of risk? Where is the pioneer spirit in America? I will tell you where it is. It got buried someplace after the architects of social legislation came along and offered to care for our good citizenry from the cradle to the grave.

The Federal Government has not only failed to take appropriate steps to encourage private investment in business, but it has discouraged private investment. Prohibitive corporate taxes, the double taxation on interest and dividends are only a few reasons why we find the state of our economy in its present shape.

My good friends, we are not talking about a few million dollars today. We are talking about a billion. If history and experience tell us anything, we should be reminded that an initial expenditure of \$1 billion for a program mushrooms the following years into several billions.

Our tax rates are already prohibitive. I think a great many of the designers of social legislation forget that our citizens not only pay Federal taxes but they pay State and local property taxes as well.

My question is simply this, and I raise it about every time we consider a bill: Can we afford this? Can we or will we be able to replenish the funds for the Office of Economic Opportunities with another billion next year and in the following years? Programs do not stop here. They start here and this is only the beginning as far as the cost of this program is concerned.

In closing I would just like to say that I think this is the most extravagant piece of pork-barrel legislation ever to reach this august body in an election year and I urge the rejection of H.R. 11377.

#### POVERTY AND POLITICS

(Mr. FOREMAN (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FOREMAN. Mr. Speaker, we have heard so much about poverty in this country recently from the politicians who would propose to solve all our problems with new welfare doles, that it is apparent that a dangerous disservice is being done to our people, here and abroad. It



is wrong to picture this country as a land of hunger and privation. To do so damages us throughout the world. There are some who are in need, of course, but the problems affecting them can be solved without discoloring the true picture which prevails in our land. Exaggerated statements about poverty—in election year conversations—only help to prove the lies that Russia and her satellites have been trying to spread about our great free country for the past 30 years.

No responsible American is for poverty. No responsible American disregards or ignores poverty wherever it may exist in this country. But the most responsible Americans understand that this, like any great historic evil, will never be solved by mere slogans, and still less, by all but open appeals to class and economic prejudices. It is sad enough that poverty exists at all. But it is tragic when the poor are turned into a political football.

The cruelest thing you can do to a man is to teach him to depend on charity and handouts as a way of life, for by so doing, you deprive him of his self-respect. Self-respect demands a producing job, a chance to make one's own way, a task to perform what the Nation's advancing economy requires. That is precisely the kind of job no government can ever provide, the kind of job created solely by personal enterprise.

Our new President declared in his Economic Report to Congress January 20, 1964, that 35 million Americans were in poverty today. His predecessor declared during the 1960 presidential campaign, just 3 years earlier, that 17 million Americans went to bed hungry every night on a substandard diet. Under this kind of administration, and at this rate, it should not be long before all Americans will be poverty stricken.

The administration is proposing the new "poverty package," H.R. 10440, at a total first-year cost of \$962.5 million and a projected cost in subsequent years that could easily run as high as \$15 billion annually. Excluding social security benefits and other trust funds, 42 Federal programs now existing and aimed directly at eliminating the causes of poverty and its effects, will cost nearly \$9 billion in fiscal 1965.

America's needy have not exactly been abandoned to the wolves for so these many years, although you could possibly lose sight of the facts amid the cries of "new and better deals." America, for most of its years, have waged a war on poverty. Whenever we have waged that war, in our factories, farms, shops, mines, oil fields, over the counters and under the free enterprise system, we have won that war. This war on poverty can only be won that way. When we work our way to wealth, we win that war. When government tries to spend its way to wealth, we lose that war.

It was American freedom, and that alone, which first made it possible for our country and the world to dream of a day when poverty might be abolished. It is American freedom, and that alone, which is the only really new idea, the only genuine "bold new program" in all history for the production of wealth for

all. Socialism is the latest form of an age-old fraud, that something can be created out of nothing, that we can get wealth by merely wishing for it or claiming it as a right, that government can plan a man's life for him better than he can. Socialism is a fraud because it creates poverty while constantly promising to abolish it, and so by a vicious circle maintains itself in power.

The answer to the problem of poverty lies not in emotional publicity but in reason in prejudice but in production, not in new Federal agencies but in less burdensome government which will permit a higher rate of growth.

The "best deal" for eliminating poverty is the creation of new jobs and employment opportunities through an expansion, encouragement, and unleashing of our free enterprise economy, not by catchy political slogans, shopworn programs, or more welfare handouts.

#### POVERTY BILL—SENATOR NORRIS COTTON'S COGENT COMMENTS

(Mr. CLEVELAND (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, President Johnson's poverty bill was passed by the Senate over the opposition of many clear-thinking legislators who deplored the duplication, waste, and inappropriateness of the measure. One of the Senators whose comments on this legislation are particularly cogent and noteworthy is New Hampshire's distinguished senior Senator, NORRIS COTTON. Senator COTTON pinpoints weaknesses of the poverty bill with devastating logic. He aptly describes its passage as "heart-breaking" and scores its duplication of effort and scattergun approach.

COTTON points out more than \$30 billion is already being spent by the Federal Government in this area. In addition, the minority views in the report on the bill by the House Education and Labor Committee state on page 86:

A total of \$66.5 billion was spent by all levels of government for "social welfare" purposes in 1962. During the same year, an additional \$33.5 billion was spent by private organizations for the same purposes. This constituted a total national effort of \$100 billion.

The Senator is to be commended for his political integrity in analyzing this controversial legislation in an articulately written newsletter which I would like to include here in the RECORD:

NORRIS COTTON REPORTS TO YOU FROM THE U.S. SENATE

The legislative highlight of the week was the President's antipoverty bill which passed the Senate overwhelmingly—but not with my vote. This program, costing nearly a billion dollars at the start and increasing every year, may be good election fodder, but it's a sure-fire guarantee of more debt and more inflation, even if we don't build a single hospital or school or add a bomber or submarine to our defense.

"War on poverty" has popular appeal. Indeed, most of us have been fighting that war all our lives. The bill includes some worthwhile projects which, if singled out, I could support—notably job training and

adult education. But, 65 pages of ill-defined, scatter-shot programs, dictated by the whim and fancy of a national Director and a \$10 million corps of Federal officials, is almost heartbreaking to contemplate at a time when we should make every dollar count.

The most glaring defect is that nearly every feature of this bill duplicates present Federal projects. We are now spending millions for job training in three separate programs—vocational education, manpower training, and area redevelopment. These should be consolidated and streamlined—but no—this bill adds a fourth. Small business loans to stimulate employment duplicate exactly the present Small Business Administration. The farm loan feature of this bill is already handled by the Farmers Home Administration. These are but a few examples. This poverty bill is mostly frosting—topping, but not supplanting, programs that have been snowballing for years. Hearing the hymns of praise for this "new" program, one would never suspect that the Federal Government already has 42 antipoverty programs, running from school lunches to food stamps, from student loans to public works. One would never dream that \$33 billion is devoted every year to our war on poverty, a sum greater than any one of our Nation's expenditures except for national defense.

Much of the bill is a revival of the leaf-raking days of the depression era. Its "community action" is a rehash of the old WPA. CCC camps are reinstated. They were needed in the 1930's with 13 million jobless youth. Now there are jobs for all who can qualify, and it's a poor investment to keep youth in camps when they come out as unskilled as when they went in—especially when each boy costs the taxpayer as much as a year at Harvard. Job training centers, on the other hand, are needed. They are about the only feature in the bill that attacks the basic cause of poverty, not merely the symptoms.

And remember this. Not one cent in this many-sided program is earmarked for those who need it most—the old people. When we want to provide higher social security and increased medicare, why spread a billion dollars helter-skelter, taking money that could give more adequate help for the aged?

We can't show the fallacies in huge Federal programs by mouthing catch-phrases like "centralized government" and "bureaucracy." It takes down-to-earth examples from our own experience to bring home the facts.

I remember a county commissioner defeated for reelection because he purchased groceries for the county poor from certain favored storekeepers. Rival merchants soon discovered it, and punishment was swift and sure. Thus local programs police themselves, while billion-dollar Federal programs line the pockets of the faithful.

I recall the wealthy parishioner who responded to his pastor's appeal for foreign missions by handing him a nickel. After enjoying the minister's horror, he gave him a \$10 bill saying: "The nickel is for the poor heathen. The \$10 will get it to them." How the dollar shrinks as it goes from Washington, through all the command posts, to poverty's battlefield.

If this antipoverty bill, or anything like it, had come to the Senate when Lyndon Johnson was majority leader, he would have chopped it into little pieces—for the birds.

(Mr. CLEVELAND (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. CLEVELAND'S remarks will appear hereafter in the Appendix.]



# ECONOMIC OPPORTUNITY ACT OF 1964—MEMORANDUM RELATING TO JOB CORPS

(Mr. ROOSEVELT asked and was given permission to address the House for 1 minute.)

Mr. ROOSEVELT. Mr. Speaker, during the debate in the Committee of the Whole a letter from Mr. Adam Yarmolinsky addressed to Mr. Joseph A. Califano, Jr., Assistant Secretary of Defense, was referred to. In order that the matter might be taken in the proper context, I ask unanimous consent that the entire memorandum be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The letter referred to follows:

JUNE 13, 1964.

Memorandum for Mr. Joseph A. Califano, Jr.:

I understand from Bob McNamara that he has designated you as our personal contact in Defense to coordinate planning for the proposed job corps. I appreciate very much the interest in this program which has been expressed by Mr. McNamara, Mr. Vance, and yourself.

To keep you up to date on our present thinking, we anticipate the necessity of starting the job corps in a clearly visible way throughout the country during the early fall, assuming passage of our bill in the next month or so.

We expect to start a large number of conservation camps within 3 months after passage of the bill. These will be spread throughout the country in a large number of States, based to some extent on the amount of Federal conservation work required in each State. Our present thinking does not include a requirement for very major logistical support for these camps from the Defense Department. We expect instead that the Departments of Agriculture and Interior with the assistance of GSA can handle a good deal of this. There may be, however, a need to call on Defense for provision of some initial issues of individual clothing and equipment, major real property items and some transportation assistance, unless we are able to get this quickly through GSA. Another area that will be a problem and a challenge is the provision of medical and dental support, which I hope Defense will analyze thoroughly in conjunction with the Department of Health, Education, and Welfare. This would help us to determine a workable solution.

During the first year, we hope to open about 10 of the large training centers with 1,000 to 2,000 enrollees each. Here again, we would like to make a visible impact by opening perhaps half of these in the first 3 or 4 months after the bill passes. There are a number of complex considerations which will influence our decision on which of these locations will be selected. My staff, however, will be able to give you our current thinking on these at any time you wish.

It would be, of course, very helpful if we had some kind of preliminary engineering surveys of possible facilities to help us in our decision. Rehabilitation of the selected facilities will eventually be needed to accommodate 1,000 or 2,000 enrollees, plus an approximate 20 percent overhead for provisional staff, administrative and logistical support. We would be interested in determining the estimated costs and leadtime for this rehabilitation work. I realize that to give us the major logistical support we have contemplated may require initially the commitment of Defense resources and active military personnel to some extent. After

the initial period I would hope, and I am sure this is in accord with your desires, that we can turn to contract support to accomplish as much of this as is practicable.

I hope this will give you an indication of our current thinking, and that it will be of value to you in your planning.

ADAM YARMOLINSKY.

## LEGISLATIVE BRANCH APPROPRIATION BILL, 1965—PERMISSION TO FILE CONFERENCE REPORT

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Oklahoma, [Mr. STEED], I ask unanimous consent that the managers on the part of the House have until midnight, Friday, August 7, to file a conference report on H.R. 10723, the legislative branch appropriation bill for the fiscal year 1965.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

### CONFERENCE REPORT (H. REPT. No. 1711)

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 10723) "making appropriations for the legislative branch for the fiscal year ending June 30, 1965, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 44 and 45.

That the House recede from its disagreement to the amendments of the Senate numbered 31, 32, 33, 36, 42, and 43, and agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,624,300"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,665,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,382,200"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,245,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 29, 30, 34, 37, 46, and 47.

TOM STEED,  
MICHAEL J. KIRWAN,  
GEORGE MAHON,  
WALT HORAN,  
ODIN LANGEN,

Managers on the Part of the House.

A. S. MIKE MONRONEY,  
HUBERT H. HUMPHREY,  
E. L. BARTLETT,  
WILLIAM PROXMIRE,  
CARL HAYDEN,  
LEVERETT SALTONSTALL,  
MILTON R. YOUNG,  
THOMAS H. KUCHEL,

Managers on the Part of the Senate.

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate Nos. 29 to 37, inclusive; and 39 to 47, inclusive, to the bill (H.R. 10723) making appropriations for the legislative branch for the fiscal year ending June 30, 1965, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each such amendment, namely:

### AMENDMENTS PREVIOUSLY AGREED TO

Amendments of the Senate Nos. 1 to 28, inclusive; and No. 38, relating solely to appropriations for the expenses of that body, were agreed to by the House just prior to sending the remaining amendments, listed above, to conference on August 3.

### JOINT COMMITTEE ON REDUCTION OF NON-ESSENTIAL FEDERAL EXPENDITURES

Amendment No. 29: Reported in technical disagreement. Motion will be made to recede and concur.

### JOINT ECONOMIC COMMITTEE

Amendment No. 30: Reported in technical disagreement. Motion will be made to recede and concur.

### JOINT COMMITTEE ON PRINTING

Amendment No. 31: Appropriates \$131,000 as proposed by the Senate instead of \$123,530 proposed by the House.

### CAPITOL POLICE BOARD

Amendment No. 32: Appropriates \$330,600 as proposed by the Senate instead of \$144,000 proposed by the House, thus adding \$186,600 to provide for detail of 16 uniformed Metropolitan Police for evening duty in and about the Capitol grounds—8 on each side of the Capitol, 5 of which would be regular privates and 3 would be Canine Corps specialists. With the addition of this extra force, it may well be that the Committee on House Administration will want to consider the fact in reviewing the necessity for additions to the regular force under House Resolution 648, 88th Congress.

Amendment No. 33: Adopts Senate language adjusting the compensation of the new Chief of Police to a parity with his predecessor.

### SALARIES, OFFICE OF THE ARCHITECT OF THE CAPITOL

Amendment No. 34: Reported in technical disagreement. Motion will be made to concur in the Senate figure with corrective language.

### CAPITOL BUILDING

Amendment No. 35: Appropriates \$1,624,300 instead of \$1,464,300 proposed by the Senate and \$1,630,000 proposed by the House. The conference agreement deletes one additional position from the House allowance.

### CAPITOL GROUNDS

Amendment No. 36: Appropriates \$740,000 as proposed by the Senate instead of \$665,000 proposed by the House. The agreement includes the \$75,000 inserted by the Senate to add 7 additional positions and other expenses deemed necessary to upgrade the condition and appearance of the Capitol grounds and to keep them in good order.

### LEGISLATIVE GARAGE

Amendment No. 37: Reported in technical disagreement. Motion will be made to recede and concur.

### CAPITOL POWER PLANT

Amendment No. 39: Appropriates \$2,665,000 instead of \$2,634,000 proposed by the Senate and \$2,700,000 proposed by the House. The conference agreement restores 3 maintenance mechanics and some miscellaneous repair funds deleted by the Senate.



## LIBRARY BUILDINGS AND GROUNDS—STRUCTURAL AND MECHANICAL CARE

Amendment No. 40: Appropriates \$2,382,200 instead of \$2,362,000 proposed by the Senate and \$2,396,000 proposed by the House. The conference agreement restores 3 air conditioning mechanics deleted by the Senate.

## LEGISLATIVE REFERENCE SERVICE

Amendment No. 41: Appropriates \$2,245,000 instead of \$2,217,500 proposed by the Senate and \$2,300,000 proposed by the House. The conference agreement contemplates the addition of 4 new professional-type positions rather than the 8 such positions provided for by the House.

## DISTRIBUTION OF CATALOG CARDS

Amendments Nos. 42 and 43: Appropriate \$149,000 as proposed by the Senate instead of \$180,000 proposed by the House and make necessary conforming adjustment in the text of the appropriating language.

## COLLECTION AND DISTRIBUTION OF LIBRARY MATERIAL (SPECIAL FOREIGN CURRENCY PROGRAM)

Amendments Nos. 44 and 45: Appropriate \$1,541,500 as proposed by the House instead of \$1,860,000 as proposed by the Senate, of which \$1,417,000, as proposed by the House, instead of \$1,717,000, as proposed by the Senate, is to be drawn from excess U.S.-owned local currency of the countries concerned. The effect of the conference agreement is to withhold extension of this program to additional countries.

## NEW GOVERNMENT PRINTING OFFICE PLANT

Amendment No. 46: Reported in technical disagreement. Motion will be made to recede and concur with a perfecting amendment.

## GENERAL PROVISIONS

Amendment No. 47: Reported in technical disagreement. Motion will be made to recede and concur with certain amendments to the text of the Senate amendment.

TOM STEED,  
MICHAEL J. KIRWAN,  
GEORGE MAHON,  
WALT HORAN,  
ODIN LANGDEN,

*Managers on the Part of the House.*

## COMMITTEE ON THE DISTRICT OF COLUMBIA—PERMISSION TO FILE CERTAIN REPORTS

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from South Carolina [Mr. McMILLAN], I ask unanimous consent that the Committee on the District of Columbia may have until midnight, August 8, to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## THE LATE JUDGE ALFRED J. CILELLA OF THE CIRCUIT COURT OF COOK COUNTY

(Mr. LIBONATI (at the request of Mr. ALBERT) was granted permission to ex-

tend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LIBONATI. Mr. Speaker, Judge Alfred J. Cilella, of the circuit court of Cook County, was one of the most popular Italo-American young leaders in the Chicago area. His recent sudden death was a terrific shock to the whole community. The very incident of his death was tragic—suddenly collapsing due to heart failure while playing golf with his son Alfred, Jr. at the Butterfield Country Club, south of Lombard, Ill.

He received his law degree from Northwestern University after graduating from McKinley High School and Crane Junior College. He was a star baseball player and received bids from the major leagues.

He was admitted to the bar in 1935 and entered public life in 1943 as a State representative. He became committeeman of the 36th ward until his election to the city council as alderman, 1951. He was reelected in 1955 and later was elected to the circuit bench in June 1958.

His great interest in youth activities and their problems prepared him for a great work in this field upon his assignment to the family court where he served for 2½ years. His improvements in procedures and modern concept of youth reforms were instituted during his judicial service there. As alderman he was chairman of the youth commission as well as serving on the executive board of the Chicago Council of the Boy Scouts of America 1955–61.

During his career he received many honors for his civic, political and spiritual leadership in many causes. In 1961, he was given the Order of Merit of the Italian Republic.

His whole career was based upon a high standard of moral, honesty in dealing with others. He was a quiet individual unless unduly aroused by brazen and crazy conduct of those appearing before him. He was fair but positive in his thinking. Once he made up his mind he became immovable in voicing his decision. He came from as humble background and knew the trials and tribulations of the poor and unfortunate. John Cilella was a man through and through—and a brilliant judge who dealt out real justice.

Although some misjudged his actions as indicative of puritanic reasoning—in reality he was a man of decision—and was unswerving in his determination to see things through. At most levels of human reaction to court problems he was in reality a softy—but if the facts contradicted his natural personal feelings he became rigid and stern in carrying out his judicial determination. He certainly was too young to die. The maturity of years of experience were upon him—his greatest work still remained undone.

The members of the Illinois delegation mourn his sad loss and extend to his darling wife, Mabel, his loving children, Alfred, Jr., and Linda Mary our heartfelt condolences.

The citizens of the city, county and State have lost a great leader, judge and public servant. May God bless him with everlasting life.

## SUPPORT PRESIDENT JOHNSON IN VIETNAM

(Mr. MONAGAN (at the request of Mr. ALBERT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, the Committee on Foreign Affairs this morning reported out a joint resolution supporting the action of President Johnson in response to the recent attacks by Communist North Vietnam on U.S. naval vessels, and supporting the President's determination "as Commander in Chief, to take all necessary measures to repel any armed attack against the forces of the United States and to prevent further aggression."

President Johnson has responded to these unlawful attacks on our ships with firmness and with responsibility. It is imperative that we give him our full support and that we express our conviction that the United States does not intend to be badgered or frightened out of its role as the foremost defender of freedom in the world.

This Nation has pledged to the people of South Vietnam that we shall protect them from being gobbled up by the Communist oppressors from the north. More importantly we are determined under no circumstances to countenance an attack upon the forces of this country in international waters without taking appropriate action to repel the attack and prevent its repetition.

Our objective has been and remains world peace, and we must be firm in our pursuit of that objective—even if it requires strong action such as we took in the Tonkin Gulf.

As a member of the Foreign Affairs Committee, I had the honor of supporting President John F. Kennedy under the somewhat similar circumstances of the Cuban missile crisis. Today our committee voted a resolution of strong support for President Johnson as did the Senate Foreign Relations Committee. I now urge the House to confirm, by acting favorably on this resolution, our full support for President Johnson in taking such measures as may be necessary to insure the safety of this country and of the free world.

## EFFECT OF URBAN RENEWAL ON SMALL BUSINESSES

(Mr. SISK (at the request of Mr. ALBERT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SISK. Mr. Speaker, from time to time we have both heard and read about the supposed adverse effect that urban renewal is having on small businesses.

In my home city of Fresno, we have several urban renewal projects underway, and in connection with our downtown project, a survey was made by the Fresno Redevelopment Agency of 75 businesses which had moved from the project area as of February 25, 1964.

In brief, this survey shows that 51 of the 75 businesses have reestablished. Of these, 33 relocated within the project area—10 of whom selected temporary







# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D.C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

Issued Aug. 10, 1964  
For actions of Aug. 7 & 8, 1964  
88th-2nd; Nos. 153  
and 154

|                                  |       |                             |            |                     |         |
|----------------------------------|-------|-----------------------------|------------|---------------------|---------|
| Administrative conference.....   | 27    | Electrification.....        | 27         | Public Law 480..... | 36      |
| Administrative law.....          | 15    | Farm program.....           | 5          | Public works.....   | 2       |
| Agricultural appropriations..... | 1,17  | Feed relief.....            | 16         | Reclamation.....    | 2,14,25 |
| Alaska relief.....               | 12,21 | Foreign agriculture.....    | 32         | Rice exports.....   | 10      |
| Appropriations... 1,2,23         |       | Foreign aid.....            | 3,18       | Riverways.....      | 27      |
| Area redevelopment... 13,28      |       | Housing.....                | 27         | Strip mining.....   | 20      |
| Beef exports.....                | 19    | Labeling.....               | 27         | Tariff.....         | 26      |
| Commissions.....                 | 34,35 | Legislative program.....    | 27         | Trade.....          | 33      |
| Conservation.....                | 6     | Marketing.....              | 8          | Transportation..... | 7       |
| Containers.....                  | 27,37 | Meat imports.....           | 27,31      | Wheat program.....  | 30      |
| Crop insurance.....              | 4     | Military construction... 23 |            | Wilderness.....     | 11      |
|                                  |       | Personnel.....              | 22         |                     |         |
|                                  |       | Poverty.....                | 9,24,29,34 |                     |         |

HIGHLIGHTS: Senate passed agricultural appropriation bill. House passed poverty bill. Senate passed public works appropriation bill. Senate debated foreign-aid authorization bill. Sen. Miller inserted editorial criticizing administration's farm program. Rep. Poage introduced Public Law 480 bill.

### SENATE - August 7

1. AGRICULTURAL APPROPRIATION BILL, 1965. The Appropriations Committee reported with amendments this bill, H. R. 11202 (S. Rept. 1331). Attached to this Digest is the committee report, which includes a statement of committee actions. p. 17886
2. PUBLIC WORKS APPROPRIATION BILL, 1965. Passed with amendments this bill, H. R. 11579 (pp. 17895-936). Senate conferees were appointed (p. 17936). Rejected, 23-57, an amendment by Sen. Nelson to reduce reclamation work by \$1,500,000 (p. 17922).



3. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 17937-47
4. CROP INSURANCE. Both Houses received from this Department a proposed bill to amend the Federal Crop Insurance Act, including a provision to remove the ceiling on appropriations; to Senate Agriculture and Forestry Committee and House Agriculture Committee. pp. 17885, 18037
5. FARM PROGRAM. Sen. Miller inserted and commended an editorial by Dick Hanson criticizing the administration's farm program. p. 17949
6. CONSERVATION. Sen. Mansfield inserted an article stating that this Congress may be known as "The Conservation Congress." p. 17856
7. TRANSPORTATION. Sen. Cotton inserted and commended an article by Ben Kelley indicating a belief that the "freight-car shortage" is a myth. pp. 17888-9
8. MARKETING. Sen. McGee inserted a letter from the River Markets Group, Nebr., commending the work of Sen. McGovern in connection with the bill to establish the National Commission on Food Marketing. p. 17950

HOUSE - August 7

9. POVERTY. Concluded debate on H. R. 11377, the poverty bill. By a 228-190 vote, agreed to an amendment by Rep. Landrum to substitute the text of S. 2642, a similar bill, with several modifications. During consideration in Committee of the Whole, adopted a motion to strike out the enacting clause, by a 170-135 vote. Then reversed this action by a record vote of 197-225. pp. 17972-18025
10. RICE EXPORTS. Rep. Thompson, Tex., spoke against plans for the Common Market to impose a tariff on U. S. long-grain rice. p. 17953
11. WILDERNESS. House conferees were appointed on S. 4, to establish a National Wilderness Preservation System. Senate conferees have been appointed. p. 18025
12. ALASKA RELIEF. Agreed to the conference report on S. 2881, to provide assistance to Alaska for reconstruction of areas damaged by the recent earthquake. p. 18026
13. AREA REDEVELOPMENT. Rep. Talcott criticized administration of the ARA program and referred to a recent GAO report on this matter. p. 18029  
The Rules Committee reported a resolution for consideration of S. 1163, to amend certain provisions of the Area Redevelopment Act. p. 18037
14. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 2337, to authorize construction of the Lower Teton division of the Teton Basin reclamation project, Idaho (H. Rept. 1715). p. 18037
15. ADMINISTRATIVE LAW. The Rules Committee reported a resolution for consideration of S. 1664, to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the U. S. p. 18037
16. FEED RELIEF. The Agriculture Committee reported without amendment H. R. 1811, to fix penalties for misuse of feed made available for relieving distress and for preservation of foundation herds (H. Rept. 1720). p. 18037



No. 1 of the House Small Business Committee may be allowed to sit Monday afternoon while the House is in general debate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### COMMITTEE ON RULES

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that the House Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### CORRECTION OF ROLL CALL

Mr. WYDLER. Mr. Speaker, on roll-call No. 208 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### CRIMINAL JUSTICE ACT OF 1964

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (S. 1057) to promote the cause of criminal justice by providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the United States, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 6, 1964.)

Mr. CELLER (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with and the statement be printed in the RECORD in full at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Iowa.

Mr. GROSS. Are all the amendments by the other body germane to this bill and this bill only?

Mr. CELLER. They are indeed.

Mr. GROSS. I thank you.

Mr. MOORE. Mr. Speaker, despite what the conference report indicates, the act to which the conference agreed, H.R. 7457, was passed by the House. This legislation authorizes appointment

of counsel to represent defendants in felony and misdemeanor cases where defendants are unable financially to obtain their own counsel. Counsel, so appointed, shall be paid reasonable fees up to a stipulated maximum. The act also provides that payment may be made, with limitations, for the rendering of investigative and expert services in connection with the defense of an indigent defendant.

In the House, I took the initiative in fashioning and reporting out an effective and workable bill. For a number of years, efforts have been made to legislatively provide compensation for the legal representation of indigent defendants in the Federal jurisdiction. It was only when the House Judiciary Committee, in the 88th Congress, supported H.R. 7457 was legislation fashioned with sufficient support so that it might become law. I am proud that I had a significant hand in guiding this legislation and that it was my bill, H.R. 7457, that the Judiciary Committee reported to the House; that the House subsequently passed; and is contained in its original form in this conference report.

In its own right, the Senate passed an indigent defendant bill (S. 1057) considerably different in nature and scope than the bill reported to the House. In fact, a House bill identical in language to the Senate bill was considered and found unacceptable by a majority of the members of the House Judiciary Committee. My legislation (H.R. 7457) was forthwith reported by the Committee for consideration by the House.

I am amazed then, to read the conference report and discover that primary accentuation was placed upon the Senate bill and the appearance created that the conferees, in essence, were only amending the Senate bill. The Senate bill was never considered by the full House, never amended by the House and never debated by the House, after the House passed H.R. 5457, then its language was substituted for S. 1057. As a conferee, I must share this responsibility for having signed the conference report which bears this misleading impression.

In failing to oversee the detail drafting of the report, however, I have compounded this misleading impression. If I did not now set the record straight, I could be further compounding this circumstance. This I cannot allow to happen.

The Senate bill, in addition to authorizing the appointment of private counsel, would have empowered the Federal Government to establish Federal public defender offices in any or all of the judicial districts throughout the country. This would have had the effect of placing the administration of justice totally in the hands of the Federal Government. An individual, accused of a crime, would have been tried before a Federal judge, prosecuted by a Federal district attorney, and defended by a Federal public defender. Thus, the total right to a fair trial and to the preservation of one's right to liberty would be solely dependent upon men appointed by the Federal Government and compensated out of the Federal Treasury.

This condition could easily have led to the establishment of totalitarian justice with the well-known unfairness and inequities found in totalitarian states. In addition, this condition could have severely undermined the duties and responsibilities of members of the bar who I believe are under an obligation to defend individuals, even those without funds and even charged in an unpopular cause. The burdens of preserving a healthy society have been gradually eroded in recent years through too great a dependence upon the Federal Government. It did not seem desirable to a majority of the Members of the House to further this erosion. The House bill, then, adopted a philosophy totally different from that reported in the Senate.

The Senate bill provided no maximum limit upon the amount of compensation such counsel were to receive. In this regard it was completely different from the House bill.

The Members of the House, who supported H.R. 7457, believed that appointed counsel should receive reasonable compensation for their services. That they should be appointed from a panel of attorneys selected by the district judge. In addition, they also believed that the legislation should not be primarily directed to enriching the legal profession. For this reason, the House enacted and the conferees acceded to the House provision which authorizes \$15 per hour for time expended by an appointed counsel in court and \$10 per hour for time spent outside of court. In addition, the conferees agreed to the House version which places a maximum compensation of \$500 in a felony case and \$300 in a misdemeanor case.

The Senate bill would have permitted the selection of private counsel on an arbitrary and haphazard basis. I felt that political or personal favoritism could have come into play as it has in other fields of Federal executive and judicial administration. This would have been unconscionable and would have totally defeated the intention of Congress to provide experienced counsel to needy defendants. For this reason, H.R. 7457 provided and the conferees agreed that appointed counsel should be selected from panels of attorneys established by the district courts.

Additional House provisions were accepted by the conferees, but I have only sought to present the major ones in order to demonstrate that the H.R. 7457 primarily prevailed in conference.

I do not mean to imply that the Senate bill did not contain many good features. It did and they were accepted by myself. The important fact is, however, that the Senate and House bills were based upon different and conflicting philosophies. Fortunately, for the sake of a free society and for the sake of an independent and fair system of justice, the philosophy propounded by my bill H.R. 7457 was accepted. The importance of this cannot be overlooked. For these reasons, I have taken this opportunity to detail the work done by the conferees.



The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## ECONOMIC OPPORTUNITY ACT OF 1964

Mr. LANDRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11377, with Mr. RAINS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 1 ending on line 4, page 1, of the bill.

The Chair recognizes the gentleman from Georgia.

### AMENDMENT OFFERED BY MR. LANDRUM

Mr. LANDRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANDRUM: Strike out all after the enacting clause and insert the following:

"That this Act may be cited as the 'Economic Opportunity Act of 1964.'

### "Findings and Declaration of Purpose

"SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

### "TITLE I—YOUTH PROGRAMS

#### "Part A—Job Corps

#### "Statement of Purpose

"SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

### "Establishment of Job Corps

"SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the 'Office'), established by title VI, a Job Corps (hereinafter referred to as the 'Corps').

#### Job Corps Program

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

#### Composition of the Corps

SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 461 et seq.). Only in exceptional cases shall enrollees in the Corps be graduates of an accredited high school, and no person shall be accepted for enrollment in the Corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

#### Allowance and Maintenance

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allow-

ances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however*, That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

#### Application of Provisions of Federal Law

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c) (1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee—

- while on authorized leave or pass; or
- while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d) (1) of the former Act (5 U.S.C. 756(d) (1)) shall apply to enrollees.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.



(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

#### Political Discrimination and Political Activity

SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

#### State-operated Youth Camps

SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

#### Requirement for State Approval of Conservation Camps and Training Centers

SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center, or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

#### Part B—Work-training programs

##### Statement of Purpose

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations (other than political parties) will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

#### Development of Programs

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations (other than political parties) in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

#### Financial Assistance

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however*, That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

#### Enrollees in Program

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to

hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

#### Limitations on Federal Assistance

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

#### Equitable Distribution of Assistance

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

#### Part C—Work-study programs

##### Statement of Purpose

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

##### Allotments to States

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to



each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

#### Grants for Work-Study Programs

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401 (f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

#### Conditions of Agreements

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or  
(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an

undergraduate, graduate, or professional student;

(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### Sources of Matching Funds

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### Equitable Distribution of Assistance

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### Part D—Authorization of appropriations

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

##### Part A—General community action programs

#### Statement of Purpose

SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

#### Community Action Programs

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elim-

ination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (other than a political party), or a combination thereof, with maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

#### Allotment to States

SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Terri-



tory of the Pacific Islands, and the Virgin Islands.

#### Financial Assistance for Development of Community Action Programs

SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

#### Financial Assistance for Conduct and Administration of Community Action Programs

SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

#### Technical Assistance

SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

#### Research, Training, and Demonstrations

SEC. 207. The Director is authorized to conduct, or to make grants to or enter into

contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

#### Limitations on Federal Assistance

SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

#### Participation of State Agencies

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

(c) In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however*, That this section shall not apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of the approval of this Act.

#### Equitable Distribution of Assistance

SEC. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; and (6) persons rejected for military service.

#### Preference for Components of Approved Programs

SEC. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

#### Part B—Adult basic education programs

##### Declaration of Purpose

SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

##### Grants to States

SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

##### State Plans

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination



of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### Allotments

SEC. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

#### Payments

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the

amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

#### Operation of State Plans; Hearings and Judicial Review

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

#### Miscellaneous

SEC. 218. For purposes of this part—

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by

the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(2) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

#### Part C—Voluntary assistance program for needy children

##### Statement of Purpose

SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

##### Authority to Establish Information Center

SEC. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

##### Part D—Authorization of appropriations

SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

##### Statement of Purpose

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

##### Part A—Authority to make grants and loans

SEC. 302. (a) The Director is authorized to make—

(1) loans of not to exceed \$1,500 to low-income rural families where, in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

(C) participate in cooperative associations; and



(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, to finance nonagricultural enterprises which will enable such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

#### Cooperative Associations

SEC. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

#### Limitations on Assistance

SEC. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

#### Loan Terms and Conditions

SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

(e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and

(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

#### Part B—Assistance for migrant agricultural employees and their families

SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

#### Part C—Authorization of appropriations

SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for

the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

#### Part D—Indemnity payments to dairy farmers

SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1965.

#### TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

##### Statement of Purpose

SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

##### Loans, Participations, and Guaranties

SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however*, That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

##### Coordination With Community Action Programs

SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

##### Financing Under Small Business Act

SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of section 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

##### Loan Terms and Conditions

SEC. 405. Loans made pursuant to section 402 (including immediate participation in and guaranties of such loans) shall have

such terms and conditions as the Director shall determine, subject to the following limitations—

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

##### Limitation on Financial Assistance

SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

##### Duration of Program

SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

#### TITLE V—WORK EXPERIENCE PROGRAMS

##### Statement of Purpose

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

##### Payments for Experimental, Pilot, and Demonstration Projects

SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)), in addition to the sums otherwise available pursuant thereto. The cost of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

##### Authorization of Appropriations

SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two



succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE VI—ADMINISTRATION AND COORDINATION

Part A—Administration

Office of Economic Opportunity

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332-3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

Authority of Director

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council

established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(m) expend, without regard to the provisions of other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such

authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

Volunteers in Service to America

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

Economic Opportunity Council

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.



## National Advisory Council

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

## Revolving Fund

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

## Labor Standards

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133-133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

## Reports

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

## Definitions

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for the purposes of title I and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term "United States", when used in a geographical sense, includes the

foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

- (1) the spouse or child of an enrollee, and
- (2) any other relative who draws substantial support from the enrollee.

Part B—Coordination of antipoverty programs  
Coordination

SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies.

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

## Preference to Community Action Programs

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

## Information Center

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

## Prohibition of Federal Control

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, su-

pervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

## Authorization of Appropriations

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

## TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

## Public Assistance

SEC. 701. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI, of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

Mr. LANDRUM (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment may be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. FRELINGHUYSEN. Mr. Chairman, reserving the right to object, I rise because we seem about to consider a very detailed proposal and so far as I know, only a very few copies are available of this proposed substitute to any of the Members for our consideration.

At my own request I did receive a copy of his substitute from the gentleman from Georgia a few minutes ago. As I understand it, and I have not yet even been able to read the changes that have been made, the proposed substitute is not the one that was incorporated in the CONGRESSIONAL RECORD the day before yesterday.

The proposed substitute, as I understand it, represents a series of changes in the committee bill which we are pre-



sumably still considering, H.R. 11377. Also represented are a very substantial number of changes made by the other body, including some of considerable substance.

In addition, the gentleman indicated the day before yesterday that he had changes to make in those Senate changes. Now we find that there are still more changes, in addition to the changes that the gentleman from Georgia said he was making in the changes made by the Senate. Under these circumstances I think it is either incumbent on us to have the proposed substitute read verbatim so that those who care to—and unfortunately there may not be many who care what is in this bill before we vote on it—may know what the proposed changes are.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. FRELINGHUYSEN. Mr. Chairman, I will be constrained to object if I am not allowed to finish.

The CHAIRMAN. Does the gentleman object?

Mr. FRELINGHUYSEN. I object, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk resumed the reading of the amendment.

Mr. HALL (interrupting the reading). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALL. Are there copies of this available so that we can follow the Clerk's reading?

The CHAIRMAN. The gentleman from Georgia can answer that much better than can the Chair.

Mr. LANDRUM. Mr. Chairman, if I may have the attention of the gentleman, this first is the bill passed by the Senate with—

Mr. FRELINGHUYSEN. A point of order, Mr. Chairman. Do we not have to proceed in order?

The CHAIRMAN. The gentleman will state his point of order.

Mr. FRELINGHUYSEN. Mr. Chairman, I should assume that Members have to proceed in order. As I understand it, the gentleman from Missouri [Mr. HALL] had made a parliamentary inquiry. I wonder how any other Member can get the floor with respect to a parliamentary inquiry unless he is commenting on the parliamentary inquiry which has been made.

The CHAIRMAN. The Clerk will read. The Clerk resumed the reading of the amendment.

Mr. CEDERBERG (interrupting reading of the amendment). Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

The CHAIRMAN. The Clerk will read. The Clerk resumed the reading of the amendment.

Mr. JOHANSEN (interrupting reading of the amendment). Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 211]

|                |            |                |
|----------------|------------|----------------|
| Baring         | Halleck    | Pilcher        |
| Bass           | Jones, Mo. | Pool           |
| Beckworth      | Kee        | Senner         |
| Belcher        | Lankford   | Sheppard       |
| Bennett, Mich. | Leggett    | Short          |
| Bolling        | Lennon     | Sibal          |
| Bolton,        | McMillan   | Siler          |
| Frances P.     | Mailliard  | Smith, Calif.  |
| Cooley         | Norblad    | Teague, Calif. |
| Cramer         | Ostertag   | Tollefson      |
| Gathings       | Passman    | Winstead       |

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 11377 and finding itself without a quorum, he had directed the roll to be called when 401 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. LANDRUM. Mr. Chairman, I renew my unanimous-consent request that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. FRELINGHUYSEN. Mr. Chairman, reserving the right to object, I feel we have been at this point before. I, for one, regret very much that we have wasted the past 45 minutes. I might say that I had no intention of objecting when I previously reserved the right to object to the unanimous-consent request of the gentleman from Georgia. It is essential that the House understand the nature of the situation in which we find ourselves. It is also incumbent upon me, as the ranking member on the minority side, to say that I disapprove wholeheartedly of the way in which we are being asked to proceed.

The gentleman from Georgia has been kind enough to give me—but I understand even the Clerk of the House needs a copy himself—a copy of his proposed substitute. This substitute is comprised of 67 pages. In effect it represents the bill that passed the other body with a number of changes. Some of those changes the gentleman from Georgia indicated, without spelling out the significance of them, in a discussion on the floor 2 days ago. At that time, at my insistence—I think that is the proper word, at my request at least—he did include and this is available in the Record, a copy of the substitute which he then proposed.

When I asked this morning whether I could get a copy of his substitute so we would have it for consideration—because some of us would like to have an understanding of what it is we may be asked to amend—I was told that there were going to be further changes in the substitute which he planned to offer as recently as 2 days ago.

As recently as an hour ago changes were being made in the substitute which is now being read. When I said just now that this was a very unwise and unnecessary procedure, I was in effect gaveled down by the Chair. At that time I did object to dispensing with further reading of this proposal.

I am constrained to say that this is no way to run any kind of legislative business. What we are being asked to do is to legislate by remote control. We are asked in effect to abandon completely the bill reported by our committee, and accept a bill which has been modified both on a technical basis and on a basis of substance by the other body. It is true that we have copies of the bill passed by the other body. But when we offer amendments we cannot offer amendments to that particular proposal because it is not before us. We are going to be obliged to offer amendments to a substitute which in effect is not available.

Mr. Chairman, I am glad to yield to the gentleman from Georgia. I am sure he is not only willing but perhaps by this time anxious to explain the changes in the Senate-passed bill which he is now proposing to make. I will be glad to yield to the gentleman from Georgia for that purpose or for any other purpose he may have in mind.

Mr. LANDRUM. Does the gentleman now yield?

Mr. FRELINGHUYSEN. I would be glad to yield to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman.

I have proposed a substitute which is, with certain amendments, the bill passed by the other body.

That proposed substitute has been printed in the RECORD of August 5, 1964, beginning at page 17637.

I shall be glad now to go into the changes included in that printing in the RECORD from the Senate-passed bill.

In addition to the changes printed in the RECORD from the Senate-passed bill there are three minor changes which have been made since the printing. Those changes resulted from oversight in the haste to get the substitute printed for the RECORD on the evening of August 5.

Now, Mr. Chairman, with that preface, I should like to say to the gentleman that the changes from the Senate bill, first, puts in the Trust Territories of the Pacific Islands in titles I and II and they are included with the other territories at the point where they appear.

Mr. FRELINGHUYSEN. May I ask the gentleman if he would explain whether he is discussing the changes made in the Senate-passed bill or the changes made in the last 2 days in the proposed substitute bill?

The gentleman from Georgia indicates he made very minor changes in the past 2 days and now he is talking about the changes that his substitute would make in the Senate-passed bill.

May we have the differentiation of those, or are we going to discuss them all without differentiation?



Mr. LANDRUM. Will the gentleman yield?

Mr. FRELINGHUYSEN. Yes, I shall be glad to yield further to the gentleman from Georgia.

Mr. LANDRUM. I shall, to the very limit of my limited ability, try to make the explanation, if I may have just a little time.

Mr. FRELINGHUYSEN. An explanation of what, may I ask the gentleman? Of the changes in the Senate bill, or the changes in the gentleman's substitute?

Mr. LANDRUM. I intend to make an explanation of the entire set of changes, if that is what the gentleman desires. Just what do you desire, sir?

Mr. FRELINGHUYSEN. Well, Mr. Chairman, I do not think it should be a question of what I desire and what I would favor. The reason I am reserving the right to object is because I think the changes made in the bill passed by the Senate are of such importance that they deserve adequate attention. This may be the best and only way we are going to do it.

Mr. LANDRUM. If the gentleman will yield further, that is exactly what I am going to do.

Mr. FRELINGHUYSEN. I believe the changes made by the Senate should also be discussed, but I would think either area of discussion would be appropriate. I would suggest, however, that this is far from an ideal way to get a discussion of the significance of those changes.

I would have thought, if the gentleman wanted his substitute seriously considered, that he might have apprised every Member by a written memorandum of the nature of the changes made by the Senate and the nature of the changes proposed by him.

If the gentleman feels he is capable of operating on this basis, I would suggest that he go ahead.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I wonder if it might not be possible to suggest a procedure that would be agreeable to those of us who are trying to follow the language of this bill. There is now available to us in the RECORD the substitute of the gentleman from Georgia as it was proposed 2 days ago?

Now, as I understand, the substitute he now offers contains some changes or amendments to the substitute which appeared in the RECORD. Some of us are interested in having the precise language of the changes now proposed.

I would suggest that the gentleman from Georgia concentrate first upon giving us the language of any changes which have been made subsequent to appearance of his substitute in the RECORD 2 days ago. Then we will have all of the language before us.

After that, I would suggest that the gentleman from Georgia then provide an explanation concerning the changes which his substitute would make in the Senate-passed bill.

At least we will have then all of the language. I wonder if that is not the best way to proceed?

Mr. FRELINGHUYSEN. I thank the gentleman. The comments of the gentleman from Georgia as to the changes now being read by the Clerk are needed. I would like to know if the changes made in the last few days in his own substitute will be up for discussion.

Mr. GRIFFIN. I think we want to be aware of the precise language.

Mr. FRELINGHUYSEN. We need information on the language of the new amendments, then we may have a discussion of the language and the changes made by the Senate.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Michigan.

Mr. JOHANSEN. In order to understand what this is all about, do I understand that the substitute offered by the gentleman from Georgia is not the text that appears in the RECORD on the bill, but there are further amendments?

Do I understand further that the Clerk is not reading from this amended version of the text that appears in the RECORD on the bill?

Mr. FRELINGHUYSEN. I am not sure what the Clerk is actually reading. I understand only one copy for official use has been furnished the Clerk of the House. I have been asked to give him my copy at the conclusion of the debate, though I think I should keep this in my possession.

Mr. JOHANSEN. If the substitute offered by the gentleman from Georgia is in the hands of the gentleman from Georgia or the gentleman from New Jersey, and not in the hands of the Clerk, I think the Clerk should read the genuine substitute that has been offered.

Mr. FRELINGHUYSEN. He should, though I am not sure how genuine the substitute is, which is being read.

Mr. JOHANSEN. I am sorry I asked the gentleman any questions.

Mr. FRELINGHUYSEN. The gentleman from Georgia may feel the same way.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Georgia.

Mr. LANDRUM. I shall discuss and name first the changes which have been entered in the substitute that do not appear in the printed RECORD.

In part B of title I. We have provided that political parties will be prohibited from participating in this.

That appears in sections 111, 112, and 113. It will read, referring to section III:

The purpose of this part is to provide useful work experience opportunities for employed young men and young women, through participation in State and community work training programs, so that their employability may be increased or their education resumed or continued, so that public agencies and private nonprofit organizations (excluding political parties) will be enabled to carry out programs which will permit—

And so forth.

Mr. FRELINGHUYSEN. That is not the language that the gentleman provided me in the substitute which I understood he was offering. As I under-

stand it, the change is: "Other than political parties."

Mr. LANDRUM. "Other than political parties." I am sorry. My glasses were on the wrong side of my nose.

"Other than political parties" is correct.

That same section is in the next two sections mentioned.

The next item which is not in the printed RECORD is with regard to the forgiveness features or provisions of title III.

Mr. FRELINGHUYSEN. The gentleman seems to be overlooking language in section 202(a)(4) which also refers to prohibition of other than political parties.

Mr. LANDRUM. That language is in the printed section in the RECORD, as I understand it. This is language that is not printed in the RECORD. That is what I am talking about.

In the forgiveness section in the RECORD, at page 17641, under title III, section 302, paragraph (b) reads this way in the printed RECORD:

Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

We intended to delete from that point, and we did not, but in the amendment which has been offered as a substitute we do delete beginning with the words "The Director" and down through the words following that, so that we delete:

The Director may reduce or release obligations resulting from a loan made under this section if he finds that the debtor has attempted in good faith to comply with his loan obligations and that either the objective for which the loan was made will likely not be achieved or the indebtedness exceeds the debtor's reasonable payment ability.

Mr. FRELINGHUYSEN. Is this proposal which the gentleman now is proposing to delete, language added by the other body?

Mr. LANDRUM. Yes. It was not in our committee bill. It was language which the other body added, but language which we intended to delete when we ordered the printing of the bill for the RECORD but did not delete.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Minnesota.

Mr. QUIE. Was section 602, subsection (1), changed in any way, because this also gives the Director authority to compromise all obligations held by him?

Mr. LANDRUM. That was not changed.

Mr. QUIE. So that the effect of the language which you have added has no effect on the Director, because he does have authority under section 602, subsection (1) to compromise any obligation.

Mr. LANDRUM. If the gentleman will permit, I understand I am not yielded to for the purpose of debate or arguing that point, I am yielded to only to show the changes in the language being read from the Clerk's desk.

Mr. FRELINGHUYSEN. I am yielding, and I yield for anything the gentleman may say that will clear up the situation.



Mr. LANDRUM. That is what I am trying to do.

The next item which is deleted from this substitute amendment now at the Clerk's desk, which was not deleted when it was submitted to the RECORD for printing appears at page 17644, under the heading "Treatment of Unemployment Compensation Benefits and Income for Certain Public Assistance Purposes."

Section 701. We intended to delete that when we submitted it for the RECORD, and we did not. We did in this amendment which has been submitted to the Clerk delete section 701, which reads:

No individual who otherwise is entitled, under title XV of the Social Security Act or the unemployment compensation law of any State, to any unemployment benefit shall be denied such benefit, or have such benefit reduced, solely because he or any other person participated in any work, training, or other activity, provided by any program established by, pursuant to, or assisted under, title I or II of this Act.

(b) No individual shall be denied participation in any work, training, or other activity provided by any program established by, pursuant to, or assisted under, title I or II of this Act solely because he, or any other person, receives, or is entitled to receive, any benefit under any unemployment compensation law.

We deleted that from the substitute which is at the Clerk's desk. We intended to delete it when we submitted it for the RECORD and we did not.

Will the gentleman be good enough to yield further?

Mr. FRELINGHUYSEN. With pleasure.

Mr. LANDRUM. Those are, sir, the changes not included in the printed RECORD. There are other changes from the Senate bill which, I understand, I am not to discuss at this time.

Mr. FRELINGHUYSEN. I am not sure why the gentleman has any such understanding. I would be delighted to get the gentleman's views on the significance of the Senate amendments at this time. Also we might just as well dispose of the changes that the gentleman feels advisable in the Senate bill.

Mr. LANDRUM. I will do that when I am recognized on my amendment.

Mr. FRELINGHUYSEN. Under the proposal to strike language in title VII, I understand there is also a change in the title, to make it accord by dropping all reference to unemployment compensation.

Mr. LANDRUM. The statement had to do with certain public assistance programs when we strike out unemployment compensation.

Mr. FRELINGHUYSEN. I understand that section 701, as it stands, in the gentleman's previous substitute was language added by the other body and was not contained in the committee bill.

Mr. LANDRUM. It was not contained in the committee bill. It was added by the other body.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Would the gentleman from Georgia enlighten me on one question? Was the bill he is now discussing and amending on the floor of

the House ever brought before the Rules Committee of the House of Representatives?

Mr. LANDRUM. I think I got the gentlewoman's question. It is: Was the bill now, the substitute now at the Clerk's desk, ever brought before the Rules Committee of the House of Representatives?

Mrs. ST. GEORGE. That is my question.

Mr. LANDRUM. Not as it is there.

Mrs. ST. GEORGE. I was just going to bring that to the gentleman's attention because it seems to me then that the rule which was granted is completely invalid and possibly we should go back to the Rules Committee and discuss this bill. The gentleman from Georgia will remember that we spent a good many hours explaining the original bill to the Committee on Rules. Now we are faced with something entirely new and something that is apparently being amended ad lib on the floor of the House.

Mr. LANDRUM. I would say to the gentlewoman that I have proposed this substitute under the proper parliamentary procedures under the rules of the House and I would assume that if the amendment is debated, we will go further into it.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. At this point, in all fairness, I would suggest that all of the language of the proposed substitute of the gentleman from Georgia is now available to all of us. Under the circumstances, I would suggest that the reservation of objection should now be withdrawn and we should proceed to a discussion of the merits of the proposed substitute.

Mr. FRELINGHUYSEN. Before I withdraw my reservation, I yield to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. I thank the gentleman from Georgia for clarifying this question. I think he makes necessary one question with reference to a comment he made just before he concluded. Did I understand there was a reference to other amendments to the substitute that is now entered, that you will present additional amendments independently or somebody else will to your knowledge and with your endorsement present these amendments?

Mr. LANDRUM. If the gentleman will come back on that question, I do not believe I got quite all of it.

Mr. GOODELL. Assuming that what you and the gentleman from New Jersey [Mr. FRELINGHUYSEN] have is the substitute that you are going to present—some of those amendments are an addition to the Senate bill?

Mr. LANDRUM. Yes.

Mr. GOODELL. Are there to be more amendments?

Mr. LANDRUM. Not from the gentleman from Georgia.

Mr. GOODELL. That is the question I am asking.

Mr. LANDRUM. I cannot speak for other Members, but the gentleman from Georgia has submitted in the substitute the amendments which he read.

Mr. GOODELL. I thought that somebody referred to the possibility that you would be presenting more of them. I thank the gentleman.

Mr. FRELINGHUYSEN. Mr. Chairman, I cannot say that this time has been wasted. But I might say time could have been saved had the proponents of this legislation prepared a brief statement of what changes were proposed in the Senate bill and an analysis of the reasons why those changes are sought. It also would have been helpful, and would still be helpful, to have a brief statement of the significance of the changes made by the Senate. Without such assistance we are really grappling with a major problem almost completely in the dark.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I asked the gentleman to yield, in order to ask the distinguished gentleman from Georgia if he would be willing to complete our information on the subject by going over the changes made in the Senate bill which are included. We have very poor facilities for finding out what is the difference between the substitute being read and the changes made in the substitute as offered compared to the Senate bill.

Does the gentleman understand my question?

Mr. FRELINGHUYSEN. Mr. Chairman, before I yield to the gentleman from Georgia for an answer, I wish to say I regret that I should seem to be imposing a delay on the House. At some point during our consideration of the changes made by the Senate and our consideration of the changes proposed by the gentleman from Georgia in his substitute offered 2 days ago, as well as the changes he has just now discussed, we all should be given adequate time to evaluate those changes. I am hesitant to use this device to accomplish that end.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from California.

Mr. ROOSEVELT. May I suggest a way out? We can now go forward with what is being read as a substitute, and then have it open to amendment section by section. I believe that would enable us to get at the very things the gentleman from Virginia and the gentleman from New Jersey have discussed.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from New York.

Mr. GOODELL. I see no reason why the gentleman from Georgia could not discuss this. I feel certain the gentleman from Georgia would be glad to do so. The gentleman could discuss it without getting into a debate on the merits of the changes made by the Senate. He could take some additional time now to point out the changes, as they occur, made by the Senate. Then we would have clearly before us the changes which were made in the House bill. This it would not be necessary to debate. We would not have to debate the merits.



That could properly come later. I believe it would clarify the whole situation, if we had that information before us now.

Mr. PERKINS. Mr. Chairman, will the gentleman yield to me?

Mr. FRELINGHUYSEN. I yield to the gentleman from Kentucky.

Mr. PERKINS. I believe the gentleman well knows that we have the committee print before us, the comparative print. That has the changes by the Senate from the bill supported in the Rules Committee. The language is in italics. There were only some three or four amendments.

In title I, for instance, there was a provision prohibiting political discrimination and political activity, as well as another amendment.

Mr. GOODELL. Is the gentleman willing to do this? I believe we could debate it for 5 or 10 minutes, as to whether it is valid procedure, but the gentleman could do as requested in about 4 minutes.

We have one copy. We have it marked, to show where the Senate made changes and where the gentleman from Georgia [Mr. LANDRUM] made additional changes.

Mr. PERKINS. Mr. Chairman, will the gentleman yield further?

Mr. FRELINGHUYSEN. Mr. Chairman, I do not yield further at this time to the gentleman from Kentucky.

Mr. PERKINS. This is a waste of time. We all have comparative prints before us.

The CHAIRMAN. The gentleman from New Jersey declines to yield.

Mr. FRELINGHUYSEN. Mr. Chairman, I have no desire to prolong the discussion. If the gentleman from Georgia is willing to refer briefly to the substitute which he incorporated into the RECORD 2 days ago—the document to which he has been referring—and indicate what changes were made by the Senate, and indicate, also, the changes made by him to those changes, that would be helpful to us. Then we could proceed to a section-by-section discussion, on the merits, of the changes made by the Senate and on two separate occasions by the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Georgia.

Mr. LANDRUM. I had expected to try to carry that responsibility at such time as I may be recognized in support of my amendment. I shall try to do that at the first opportunity I am given.

Mr. FRELINGHUYSEN. Mr. Chairman, I assume even the gentleman from Georgia will be operating under the 5-minute rule when he discusses his amendment of 67 pages. I would suggest, unless he can get unanimous consent to proceed for a considerably longer time than that, we will not have the freedom then to discuss the changes. I am not suggesting we discuss the merit of those changes we have now. However, I would like to urge the gentleman to indicate what changes have been made by the Senate, and where the changes are he is proposing to those changes.

Mr. LANDRUM. To the very limit of my limited ability I will try to do so at the first opportunity I am recognized.

Mr. FRELINGHUYSEN. I regret very much that the gentleman from Georgia is now refusing to state what should be obvious to him, the nature of the changes. I am not asking whether they are good or bad or indifferent but the nature.

Mr. LANDRUM. I shall be glad to do it at any time that I am yielded to or recognized for that purpose.

Mr. FRELINGHUYSEN. I yield now to the gentleman for that purpose, because I have a feeling in 5 minutes he will not be able to give an adequate discussion of the changes and their significance. I hope the debate under the amendment process will allow us to get into that.

Mr. LANDRUM. May I proceed?

Mr. FRELINGHUYSEN. With pleasure, I might say.

The CHAIRMAN. The Chair would like to state this seems to be going on for an unduly long time. After a while we will be on the 5-minute rule, and I would like to suggest we come to some conclusion on it in committee.

Mr. FRELINGHUYSEN. I agree with the Chair, that we come to some conclusion. At the conclusion of the remarks of the gentleman from Georgia, I intend to withdraw my reservation.

Mr. LANDRUM. Mr. Chairman, the bill passed by the other body and offered here as a substitute to our committee bill is different in some respects, but those respects are limited and very few. At the outset I shall say that there is no difference in the two bills in title I until we get to a section designated "Political Discrimination and Political Activity" included by the other body, which provides, and very briefly provides, that no officer or employee shall be questioned or have his political faiths or beliefs inquired into and no officer or employee or enrollee of the Corps shall take any active part, and which provides that the Civil Service Commission may make such investigations and reports as are necessary.

Now, in part B—

Mr. FRELINGHUYSEN. Mr. Chairman, I might say to the gentleman I am sure he does not intend to overlook the fact that section 108 and section 109 are also amendments added by the other body. Should we not recognize that there is language in section 103(a) which was also added by the other body? They are surely oversights on his part.

Mr. LANDRUM. Section 108 provides for State-operated youth camps and authorizes the Director to enter into agreements with States to assist in the operation or administration of them. It authorizes the Director further, pursuant to such regulations as he may adopt, to pay part or all of the expenses of such program.

Now, then, section 109 added a requirement for State approval of conservation camps and training centers. It provides that in carrying out the provisions of part A of this title, no conservation camp training center, or other similar facility

designed to carry out the purposes of this act shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within 30 days of such submission.

Mr. FRELINGHUYSEN. My point, I might say, Mr. Chairman, is that both section 108 and section 109 were sections added by the other body.

Mr. LANDRUM. That is correct.

Mr. FRELINGHUYSEN. That is the only point I was making. I was not suggesting that the gentleman read them.

Mr. LANDRUM. That was added by the other body.

Now, in part B, insofar as what was added by the other body, there is no difference between that bill and the House committee bill.

I did point this out a moment ago in what I have submitted as a substitute, in that we had excluded political parties from participation.

Mr. FRELINGHUYSEN. The gentleman must be overlooking changes made by the other body in section 113(a)(1), where there is language "of so much of any facility" referred to in subsection (a)(1)(A).

Mr. LANDRUM. I beg the gentleman's pardon; I overlooked it.

Mr. FRELINGHUYSEN. I do not know what is the significance of that language but it is new language. I do not mean to get into a discussion of its significance.

Mr. LANDRUM. I will take up section 113.

Mr. FRELINGHUYSEN. Mr. Chairman, I am not asking that we take it up now. I am simply asking that we have attention called to the fact that some changes were made by the Senate in section 113(a)(1).

Mr. LANDRUM. The change is this—

Mr. FRELINGHUYSEN. If the gentleman wants to take it up, it is all right with me.

Mr. LANDRUM. The change from the House committee bill and the Senate-passed bill with regard to that section is this. Whereas the House bill provided for the limitation of funds used in the construction, operation, or maintenance of any facility used or to be used solely for sectarian instruction or a place for sectarian instruction or as a place of religious worship, the Senate-passed bill changes the language so that "of so much of any facility used or to be used for sectarian instruction or as a place of religious worship," instead of any place used for sectarian purposes.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from New York.

Mr. GOODELL. Mr. Chairman, I take it the same change was made in section 124?

Mr. LANDRUM. I had not gotten down to that section. Those sections, 113 and 124 are at pages 12 and 18 of the the House bill.



Mr. GOODELL. And this prohibition here applies only to the work training and college work study.

Mr. LANDRUM. Section 123, page 17, now uses the definition of "higher education" from the Higher Education Facilities Act of 1963, instead of from the National Defense Education Act as did the House bill.

This change makes it possible to include 2-year institutions.

Section 124(f), page 20, authorizes the Director to pay up to 90 percent and 75 percent after the first year of the compensation for both on-campus and off-campus work instead of 50 percent as the House bill allowed.

The Senate bill authorizes 90 percent for the first year and 75 percent after the first year. The House bill reduced that to 70 percent. The Senate bill increased it to 75 percent.

Now we come to title II, the next difference between the two bills. The first change has reference to section 202(a) (4), page 22. That now requires as part of the community actions programs maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

The next change is at section 209(c). That adds a completely new paragraph.

The Senate provision provides that:

No contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission:

Mr. FRELINGHUYSEN. Mr. Chairman, in order to save time, I wonder if the gentleman from Georgia would not simply refer to the sections and the portions thereof instead of reading verbatim the language. If we have the language in front of us, we can follow the gentleman and can get on with the business of considering this matter.

Mr. LANDRUM. I would be glad to.

This change in the Senate bill from the House bill adds paragraph (c) which does just what we said.

Now, it is in this section that this substitute which I have offered at the desk does make a substantial and significant change.

Does the gentleman want to discuss that now or later?

Mr. FRELINGHUYSEN. I am not sure I heard the gentleman correctly. Which section is he referring to?

Mr. LANDRUM. 209(c), the one we just talked about.

Mr. FRELINGHUYSEN. I do not want the gentleman to discuss it now. We will probably have much to talk about later.

Mr. LANDRUM. That was added by the other body, and I have a change in that.

Now, the next change is in title II at pages 30 and 39. It has been changed so that people 18 years and older are

eligible for adult training instead of the language that was in the House amendment.

The next one is a new part C which is the voluntary assistance program for needy children under title II. This occurs at pages 39 and 40 of the bill.

Mr. FRELINGHUYSEN. May I ask the gentleman if he is referred to sections 219, 220, and 221?

Mr. LANDRUM. I am referred to section 219 and 220. Section 221 is not included.

Mr. FRELINGHUYSEN. Sections 219 and 220 were provided by the other body?

Mr. LANDRUM. Yes. Now, in title III, part A, section 302(a) (1) at page 41—I beg your pardon—changed the grants to loans.

Mr. FRELINGHUYSEN. As I understand it, and the gentleman can correct me if I am wrong—the gentleman is referring to section 302(a) (1)?

Mr. LANDRUM. That is correct.

Mr. FRELINGHUYSEN. The first three lines which carry the two references to loans previously, here refer to grants?

Mr. LANDRUM. Yes.

Then the next change included in that section 302(b).

Mr. FRELINGHUYSEN. I believe there was a minor change just prior to that, "loans to such families to finance nonagricultural enterprises."

I believe that language is slightly different, immediately before section 302 (b); the three lines immediately before section 302(b), I think, were added by the other body.

Mr. LANDRUM. Those lines were added by the other body.

Now, the next one is section 303 which was stricken in its entirety by the other body.

Then the language in part C, title III of section 321 has been changed authorizing \$35 million instead of the original \$50 million.

Now, the next one is a new part D added by the other body which is the indemnity payments to dairy farmers. That was in the House bill.

Mr. FRELINGHUYSEN. Does the gentleman feel that section 331(a) is germane to a poverty bill?

Mr. LANDRUM. I am sorry, but I did not hear the gentleman.

Mr. FRELINGHUYSEN. Does the gentleman feel that section 331(a) is germane to this economic opportunities bill?

Mr. LANDRUM. The gentleman does not desire to discuss that at this time, if the gentleman would permit me to pass over that, and go along.

The next change is in title IV, section 402, the maximum amount of the loans authorized has been raised from \$15,000 to \$25,000.

Then a new section 406 has been added as a new section 406.

The next change is in title VII which has been changed to authorize one Deputy Director and three Assistant Directors of the Office of Opportunity instead of four Deputy Directors. That is 601(a).

The next change is in 601 (c), (d), and (e), which establishes the rate of compensation.

Then a new subsection 602(m) has been added to make certain funds available for printing, and so forth.

Then the other body added a new section 701, which has to do with what we were talking about a little while ago. Those are the differences between the House committee bill and the bill passed by the other body.

Mr. FRELINGHUYSEN. I thank the gentleman for his cooperation in explaining the significance of the substitute which he has offered.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to ask the gentleman from Georgia a question or two. The gentleman has just detailed a great number of changes that have been made in the substitute he has offered.

Mr. LANDRUM. No, sir; I beg your pardon. I have not detailed the changes I have made, sir; I have detailed the changes made between the House committee bill and the bill which I have offered as a substitute.

Mr. HALLECK. Have you not also made some changes in the text of the measure that was presented by you some 2 days ago?

Mr. LANDRUM. Yes; we have and I have explained those.

Mr. HALLECK. Does anybody have a copy of that except the one copy that is here?

Mr. LANDRUM. Not that I know of.

Mr. HALLECK. As I understand the rules of the House, the substitute that you have offered, if it should prevail, would then come on for a vote in the House—first in committee, then in the House.

Can you tell me how we go about trying to amend this bill that you have offered as a substitute with the changes that have been made? To what reference would we make as to page and line in any amendment we offered?

Mr. LANDRUM. The gentleman has been a Member of this House, a very distinguished Member of this House, for a much longer period than I have, but in the short period I have been here I have seen the gentleman do that many, many times.

Mr. HALLECK. When we offered what came to be the Landrum-Griffin bill as a substitute, was that not printed and circulated, and the text of it adhered to as it came to a vote?

Mr. LANDRUM. In that instance the bill was introduced as a separate bill entirely from the bill reported out of the committee.

Mr. HALLECK. But there were no changes made after it was presented?

Mr. LANDRUM. I do not recall.

Mr. HALLECK. Well, I recall, and I am quite sure there were none because everybody knew what the text of it was, and anybody could offer an amendment to a title or section number.

Mr. LANDRUM. I will say to the gentleman there are no substitutes or significant changes except as have been noted. The only real change involved is that we have extended the veto power



of the Governor of a State, not only to private agencies, as was the case in the bill from the other body, but public agencies as well. Beyond that there is no real, significant change. The forgiveness feature has been stricken.

Mr. HALLECK. That makes the point I was about to make. It does make changes. I have sat here and listened to the gentleman tell about changes in the different sections.

When an amendment is offered you have to refer to a particular place in the bill. In my opinion I would say in this substitute certain of the proponents of this measure are begging the question because here we are with a bill that the committee has never considered. Now we are confronted with considering a substitute which for all intents and purposes is to be considered as an original bill and open for amendment. If anybody can find out for sure where amendments may be offered, he is smarter than I am.

Mr. FRELINGHUYSEN. I have been worried about this problem for 2 days. I have raised the question of how to offer amendments. I was also hoping against hope we would have mimeographed copies of the substitute when it was offered so we might have something concrete to start from.

I was hoping we would get some explanation of the meaning of the changes in the committee bill. If we had not wasted, or at least spent, 2 hours in discussing the pros and cons of just what is now being offered, we would be obliged to do this under the 5-minute rule. This would seem to make for an impossible situation. Surely this would indicate very clearly that our own Committee on Education and Labor has a very pressing responsibility to come up with legislation which would command attention. A bill would be before us in printed form and would be a bill which a House committee reported. Of course, the printed report now available does not apply to this substitute. We are groping in almost complete darkness as a consequence of the unnecessary and unadvisable action or inaction by the proponents of this poverty item.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Indiana.

Mr. HALLECK. I know a great many people here in this body think that there are some political potentials in this bill, but I would just like to point out that, No. 1, it is obvious that the vote-getting possibilities are—

Mr. THOMPSON of New Jersey. Mr. Chairman, I demand the regular order.

Mr. HALLECK. I thought it was about time.

Mr. THOMPSON of New Jersey. I might point out—

Mr. HALLECK. Just a minute. The gentleman demanded the regular order. The regular order is, Is there objection?

Mr. FRELINGHUYSEN. Mr. Chairman, I continue my reservation.

Mr. HALLECK. He demanded the regular order.

Mr. HALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALL. In the opinion of the Chair, on the reading of the substitute with the changes and/or withdrawal of changes, will the substitute be in order for amendment at any point or by section and open under the 5-minute rule?

The CHAIRMAN. The Chair would state that once the reading has been dispensed with the amendment will be open for amendment at any point.

Mr. HALL. By title or by section?

The CHAIRMAN. By title or by section.

Mr. FRELINGHUYSEN. If I may renew my reservation—

Mr. HALLECK. If the regular order is demanded, then of course the regular order is, Is there objection? If the regular order is not demanded, then I will ask the gentleman to yield.

Mr. FRELINGHUYSEN. I yield to the gentleman from Indiana.

Mr. HALLECK. All I can say is that here we have a measure that has some political overtones, to say the least.

Here we are, attempting to legislate in an information vacuum. Proposals are being offered which the membership has had little or no opportunity to read, let alone study.

All of these proposals involve the expenditure of millions and millions of dollars of the taxpayers' money.

This is a major raid on the Treasury of the United States, with no adequate opportunity for those of us who oppose such action to voice our protests.

This is vote-bait legislation of the worst order—unwise, unnecessary, and unworkable. It is designed primarily to shovel out public funds for partisan benefit.

It is my considered judgment that had the House of Representatives been allowed to work its will on this piece of legislation without the unprecedented pressures that have been applied by administration sources the matter now before us would be decisively defeated.

I do not think what is happening here today will be lost on the vast majority of American taxpayers. I think they are fed up with this sort of operation and that they will make their voices heard on that score in no uncertain terms.

The CHAIRMAN. The gentleman demanded the regular order. Is there objection?

Mr. FRELINGHUYSEN. I withdraw my reservation of objection to the request of the gentleman from Georgia.

Mr. WILLIAMS. I object, Mr. Chairman.

Mr. HARDY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARDY. Would it be in order to ask unanimous consent, or whatever it might take, for the benefit of those who do not serve on the committee, that amendments to the amendment be presented by section or by title? I have

been listening to this argument for a long time, and I cannot follow it.

The CHAIRMAN. The Chair has no control over how amendments are offered.

Mr. HARDY. I ask the Chair if it would be in order to ask unanimous consent? If the Chair says it would not be in order, I cannot ask it.

The CHAIRMAN. That is not a parliamentary inquiry. The gentleman from Georgia would have to respond.

Mr. HARDY. Mr. Chairman, I do not quite understand. The Chair ought to be able to rule whether it would be in order for me to make a unanimous-consent request.

The CHAIRMAN. The Chairman will put the request, but the Chair cannot enforce the request.

Mr. HARDY. I did not expect the Chairman to do that, but if the Chair will permit I will ask unanimous consent that as the amendment is read it be open to amendment section by section.

The CHAIRMAN. It is already open for amendment by section or by title.

Mr. HARDY. The amendment is open to amendment by section?

The CHAIRMAN. Absolutely. The Chair just stated that.

Mr. HARDY. I did not understand the Chair's ruling a moment ago.

The CHAIRMAN. The Clerk will read.

The Clerk resumed the reading of the amendment.

Mr. LANDRUM. Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. HARDY. Mr. Chairman, reserving the right to object, I wonder if we could have an understanding—I assume amendments will be offered to this thing—if there are to be amendments, and I would not object if we could understand that we will take up the amendments section by section. But if we are going to have this new bill opened up so that the last section can be amended first, and then innumerable amendments can be offered anywhere, it is not going to be possible for us ordinary run-of-the-mill Members to follow this. If we could have this thing amended, section by section, I shall not object; otherwise, I shall.

The CHAIRMAN. The Chair will inform the gentleman that, once the reading of the substitute amendment is dispensed with, the amendment will be open for amendment at any point or at any section in the bill.

Mr. HARDY. If the Chairman will permit me to make this observation, that is just exactly the thing I am objecting to, if we are going to be permitted to amend the last section first.

The CHAIRMAN. The Clerk will read. The Clerk continued the reading of the amendment.

Mr. GRIFFIN (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with.



Mr. HARDY. Mr. Chairman, reserving the right to object, I will not object if I can get unanimous consent that the amendment be amended by sections as though it were an original bill, and I ask unanimous consent that that be done.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Just a moment. The gentleman from Virginia [Mr. HARDY] has asked unanimous consent that the bill be considered section by section for amendment. Is there objection?

Mr. FRELINGHUYSEN. Mr. Chairman, reserving the right to object, I reserve the right to object, Mr. Chairman, because I am wondering, from a parliamentary situation, is it possible to allow a substitute to be considered section by section whether or not the membership agrees?

The CHAIRMAN. The Chair will state only by unanimous consent.

Mr. FRELINGHUYSEN. Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. LANDRUM. I object.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. GRIFFIN]?

Mr. HARDY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk resumed the reading of the amendment.

Mr. GROSS (interrupting the reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. At what point is the Clerk reading? Is he reading section 123?

The CHAIRMAN. The Clerk states he is reading on page 17.

Mr. GROSS. I have no bill.

Mr. JOHANSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHANSEN. At what section is the Clerk reading?

The CHAIRMAN. Section 124 of the amendment of the gentleman from Georgia.

Mr. GROSS. Well, Mr. Chairman, I make the point of order that section 123 has not been read.

The CHAIRMAN. The gentleman makes the point of order that section 123 has not been read. The Clerk states it has been read. The Clerk will read.

The Clerk resumed the reading of the amendment.

Mr. FRELINGHUYSEN (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the gentleman's amendment be dispensed with.

Mr. ARENDS. Mr. Chairman, reserving the right to object, what was the gentleman's request?

Mr. FRELINGHUYSEN. Mr. Chairman, I ask unanimous consent that further reading of the gentleman's amendment be dispensed with.

Mr. ARENDS. At the present time I object.

The CHAIRMAN. The Clerk will read.

The Clerk resumed the reading of the amendment.

Mr. ROBISON (interrupting reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN (Mr. MILLS). The gentleman will state his parliamentary inquiry.

Mr. ROBISON. Mr. Chairman, I would like to know what page and what section the Clerk is reading.

The CHAIRMAN. Section 206 of the amendment.

The Clerk resumed the reading of the amendment.

Mr. GIBBONS (interrupting the reading of the substitute amendment). Mr. Chairman, I ask unanimous consent that the substitute amendment be considered as read.

The CHAIRMAN. Is there objection?

Mr. HALLECK. Mr. Chairman, reserving the right to object, most of us do not know what is in this substitute. I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk resumed the reading of the substitute amendment.

Mr. GROSS (interrupting the reading of the amendment). Mr. Chairman, I insist that the Clerk read the bill.

The CHAIRMAN (Mr. MILLS). The portion of the last section to which the gentleman from Iowa refers was stricken by the author of the amendment. The Clerk has read the bill. The Clerk will read.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry. How in the world do we follow this bill when we have nothing to go by?

The CHAIRMAN. I would suggest to the gentleman all of us listen to the reading of the amendment and we will then have a better understanding of the amendment. The Clerk will read.

The Clerk resumed the reading of the amendment.

Mr. SMITH of Virginia (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN (Mr. MILLS). Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. For some time now we have been discussing the parliamentary situation with respect to amendments that might be offered to the substitute which has just been read.

Now, Mr. Chairman, I have here the Senate bill and I have an extra issue of the CONGRESSIONAL RECORD which is supposed to contain the amendment that was supposed to have been read.

Those of us who have discussed this thing on the floor are so confused we do not know where we are or what we can

do about amending this piece of legislation. I assume we will proceed by the printed matter that appeared a couple of days ago in the CONGRESSIONAL RECORD. If we do, and one wishes to offer an amendment, how is he going to identify his amendment and tie it to the proper place and the proper section of a bill that has no lines in it?

The CHAIRMAN (Mr. MILLS). Permit the Chair to suggest to the gentleman from Virginia that the clerks can assist anyone desiring to offer an amendment to the pending amendment with respect to the particular place in the pending amendment where such an amendment would lie.

Mr. SMITH of Virginia. How would he draft his amendment in order to tie it into the bill? I do not want to leave it to the guess of the reading clerk.

The CHAIRMAN. That is not what the Chair referred to. The amendment which has been read has a page and line in it, and if the gentleman from Virginia has an amendment he desires to offer, the amendment would be offered to that page and to that line of the pending amendment.

Mr. SMITH of Virginia. Then do I understand what has been read has been the Senate bill?

The CHAIRMAN. With certain modifications as developed by the gentleman from Georgia.

Mr. SMITH of Virginia. Is this the document that was read, so we will know?

The CHAIRMAN. The Chair cannot answer that, and does not know what document the gentleman has in mind.

Mr. SMITH of Virginia. I have the Senate bill, 2642. Was that read, or was this other extract from the CONGRESSIONAL RECORD read?

The CHAIRMAN. The Chair would suggest that is an inquiry that should be directed to the author of the amendment rather than to the Chair.

Mr. SMITH of Virginia. I am trying to find out what we do with amendments. That is a parliamentary inquiry properly addressed to the Chair.

The CHAIRMAN. The Chair has advised the gentleman from Virginia that the amendment has pages and lines, and amendments offered to the amendment will be offered to those pages and to those lines where the amendment would properly be appropriate.

Mr. SMITH of Virginia. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. SMITH of Virginia moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. SMITH of Virginia. Mr. Chairman, we have been discussing under general debate for 2 days a bill. Members of this House did not understand that bill very well. This morning we are presented with an entirely different substitute that amends the House bill, and to that is added certain amendments made by the committee that further amend the House bill, and that are printed in the RECORD.



Then on top of that the committee proposes to offer further amendments which have not been printed, and which we do not know what they contain.

This is an important bill. Everyone should have the opportunity to know what we are doing before we do it. I venture the assertion that not over five members of the Committee on Education and Labor understand what we are doing. I heard one member, a very prominent member of that committee, say that they did not know.

Are we going to pass this bill in this shape, when practically every Member of the House is not informed as to what he is doing, where even with the lucid explanation given me by the Chair in response to my parliamentary inquiry a moment ago I still do not know how to offer an amendment and you do not know how to offer an amendment? How are you going to tie your amendments in if the committee offers some more amendments? This being a substitute, you cannot offer an amendment to that.

We have got ourselves tangled up here in a parliamentary situation that we just ought not to pursue. I think if we go back and give the leadership of this House a little opportunity to let the common Members of this House know what is going on, maybe then we may have an adequate understanding of what we are going to do.

Mr. LANDRUM. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, this bill, this substitute, and this amendment have been debated for 2 days. There is no Member of this body who has not had ample opportunity to read every line and study every provision in this substitute bill. The substitute which has been offered was passed by the other body. The only changes between the Senate-passed bill and the amendment which is here for us to consider are these:

No political party can have any political funds for the work-training program. Neither can community-action programs have any funds for any political party.

Whereas the other body provided in its version of the bill that the veto power would extend to a Governor for contract agreements, or loans or assistance to private organizations, this substitute is amended to extend that veto power to public agencies also.

In addition to that, we provide in the substitute bill that there is no forgiveness feature for the \$1,500 loan to farmers in title III. We also strike the provision included by the other body relating to unemployment compensation, and that has been discussed thoroughly here.

There is no Member that has not had ample opportunity to read this substitute bill, including my dear, beloved, and distinguished friend from Virginia. The bill has been printed in the Record, and committee prints have been available. Comparative prints have been available to every Member of this body, both majority and minority. Every Member has had opportunity to read and understand all the provisions in the bill we have under consideration.

The only differences between the House Committee on Education and Labor bill

and the substitute we have under consideration are those differences or changes enumerated, in which political parties are prohibited from participating and in which the Governors' veto power over community-action programs and over programs in title I are extended to public agencies as well as private agencies, and the provision striking the Director's authority to forgive loans.

Those are the only differences between the Senate passed bill and the House committee bill.

We have a situation here that involves a tremendously important measure, and it is important to this Nation that we do something about this problem. I ask that this motion be voted down.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia [Mr. SMITH].

Mr. HALLECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. LANDRUM and Mr. SMITH of Virginia.

The Committee divided, and the tellers reported that there were—ayes 170, noes 135.

So the motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States, had directed him to report the bill back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken out.

Mr. LANDRUM. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 197, nays 225, not voting 9, as follows:

[Roll No. 212]

YEAS—197

|                    |                |               |
|--------------------|----------------|---------------|
| Abbitt             | Brock          | Dorn          |
| Abele              | Bromwell       | Dowdy         |
| Abernethy          | Broomfield     | Downing       |
| Adair              | Brotzman       | Ellsworth     |
| Alger              | Brown, Ohio    | Findley       |
| Anderson           | Broyhill, N.C. | Fisher        |
| Andrews, Ala.      | Broyhill, Va.  | Flynt         |
| Andrews, N. Dak.   | Bruce          | Ford          |
| Arends             | Burleson       | Foreman       |
| Ashbrook           | Burton, Utah   | Forrester     |
| Ashmore            | Byrnes, Wis.   | Frelinghuysen |
| Auchincloss        | Casey          | Gathings      |
| Avery              | Cederberg      | Glenn         |
| Ayres              | Chamberlain    | Goodell       |
| Baker              | Chenoweth      | Goodling      |
| Barry              | Clancy         | Grant         |
| Bates              | Clausen,       | Griffin       |
| Battin             | Don H.         | Gross         |
| Becker             | Clawson, Del.  | Grover        |
| Beermann           | Cleveland      | Gubser        |
| Belcher            | Collier        | Gurney        |
| Bell               | Colmer         | Hagan, Ga.    |
| Bennett, Fla.      | Conte          | Haley         |
| Berry              | Cramer         | Hall          |
| Betts              | Cunningham     | Halleck       |
| Bolton             | Curtin         | Hardy         |
| Bolton, Frances P. | Curtis         | Harris        |
| Bolton, Oliver P.  | Dague          | Harrison      |
| Bow                | Derounian      | Harsha        |
| Bray               | Derwinski      | Harvey, Ind.  |
|                    | Devine         | Harvey, Mich. |
|                    | Dole           | Herlong       |

|                |               |                |
|----------------|---------------|----------------|
| Hoeven         | Michel        | Scott          |
| Hoffman        | Miller, N.Y.  | Selden         |
| Horan          | Minshall      | Short          |
| Hosmer         | Morse         | Shriver        |
| Huddleston     | Morton        | Sikes          |
| Hutchinson     | Mosher        | Skubitz        |
| Jarman         | Murray        | Smith, Calif.  |
| Jensen         | Nelsen        | Smith, Va.     |
| Johansen       | Osmers        | Snyder         |
| Johnson, Pa.   | Ostertag      | Springer       |
| Jonas          | Pelly         | Stinson        |
| Keith          | Pike          | Taft           |
| Kilburn        | Pillion       | Talcott        |
| King, N.Y.     | Pirnie        | Teague, Calif. |
| Knox           | Poff          | Thomson, Wis.  |
| Kunkel         | Pool          | Tollefson      |
| Kyl            | Quie          | Tuck           |
| Laird          | Quillen       | Utt            |
| Langen         | Reid, Ill.    | Van Pelt       |
| Latta          | Reifel        | Waggonner      |
| Lipscomb       | Rhodes, Ariz. | Wallhauser     |
| Lloyd          | Rich          | Watson         |
| McClory        | Riehlman      | Weaver         |
| McCulloch      | Roberts, Ala. | Westland       |
| McIntire       | Robison       | Whalley        |
| McLoskey       | Rogers, Fla.  | Wharton        |
| McMillan       | Rogers, Tex.  | Whitten        |
| MacGregor      | Roudebush     | Widnall        |
| Mailhard       | Rumsfeld      | Williams       |
| Marsh          | St. George    | Wilson, Bob    |
| Martin, Calif. | Schadeberg    | Wilson, Ind.   |
| Martin, Mass.  | Schneek       | Winstead       |
| Martin, Nebr.  | Schneebeli    | Wydler         |
| May            | Schweiker     | Wyman          |
| Meader         | Schwengel     | Younger        |

NAYS—225

|                |                 |                |
|----------------|-----------------|----------------|
| Addabbo        | Gill            | Murphy, N.Y.   |
| Albert         | Gonzalez        | Natcher        |
| Ashley         | Grabowski       | Nedzi          |
| Aspinall       | Gray            | Nix            |
| Baldwin        | Green, Oreg.    | O'Brien, N.Y.  |
| Barrett        | Green, Pa.      | O'Hara, Ill.   |
| Bass           | Griffiths       | O'Hara, Mich.  |
| Blatnik        | Hagen, Calif.   | O'Konski       |
| Boggs          | Halpern         | Olsen, Mont.   |
| Boland         | Hanna           | Olson, Minn.   |
| Bolling        | Hansen          | O'Neill        |
| Bonner         | Harding         | Patman         |
| Brademas       | Hawkins         | Patten         |
| Brooks         | Hays            | Pepper         |
| Brown, Calif.  | Healey          | Perkins        |
| Buckley        | Hébert          | Philbin        |
| Burke          | Hechler         | Pickle         |
| Burkhalter     | Henderson       | Pilcher        |
| Burton, Calif. | Holifield       | Poage          |
| Byrne, Pa.     | Holland         | Powell         |
| Cahill         | Horton          | Price          |
| Cameron        | Hull            | Pucinski       |
| Carey          | Ichord          | Purcell        |
| Celler         | Jennings        | Rains          |
| Chelf          | Joelson         | Randall        |
| Clark          | Johnson, Calif. | Reid, N.Y.     |
| Cohelan        | Johnson, Wis.   | Reuss          |
| Cooley         | Jones, Ala.     | Rhodes, Pa.    |
| Corbett        | Karsten         | Rivers, Alaska |
| Corman         | Karth           | Rivers, S.C.   |
| Daddario       | Kastenmeier     | Roberts, Tex.  |
| Daniels        | Kee             | Rodino         |
| Davis, Ga.     | Kelly           | Rogers, Colo.  |
| Davis, Tenn.   | Keogh           | Rooney, N.Y.   |
| Dawson         | Kilgore         | Rooney, Pa.    |
| Delaney        | King, Calif.    | Roosevelt      |
| Dent           | Kirwan          | Rosenthal      |
| Denton         | Kluczynski      | Rostenkowski   |
| Diggs          | Kornegay        | Roush          |
| Dingell        | Landrum         | Roybal         |
| Donohue        | Leggett         | Ryan, Mich.    |
| Dulski         | Lesinski        | Ryan, N.Y.     |
| Duncan         | Libonati        | St. Germain    |
| Dwyer          | Lindsay         | St. Onge       |
| Edmondson      | Long, La.       | Saylor         |
| Edwards        | Long, Md.       | Secrest        |
| Elliott        | McDade          | Senner         |
| Everett        | McDowell        | Sheppard       |
| Evins          | McFall          | Shipley        |
| Fallon         | Macdonald       | Sibal          |
| Farbstein      | Madden          | Sickles        |
| Fascell        | Mahon           | Sisk           |
| Feighan        | Mathias         | Slack          |
| Finnegan       | Matsunaga       | Smith, Iowa    |
| Fino           | Matthews        | Staebler       |
| Flood          | Miller, Calif.  | Stafford       |
| Fogarty        | Milliken        | Staggers       |
| Fountain       | Mills           | Steed          |
| Fraser         | Minish          | Stephens       |
| Friedel        | Monagan         | Stratton       |
| Fulton, Pa.    | Montoya         | Stubblefield   |
| Fulton, Tenn.  | Moore           | Sullivan       |
| Fuqua          | Moorhead        | Taylor         |
| Gallagher      | Morgan          | Teague, Tex.   |
| Garmatz        | Morris          | Thomas         |
| Gary           | Morrison        | Thompson, La.  |
| Ghaimo         | Moss            | Thompson, N.J. |
| Gibbons        | Multer          | Thompson, Tex. |
| Gilbert        | Murphy, Ill.    | Toll           |



|            |            |            |
|------------|------------|------------|
| Trimble    | Vinson     | Wilson,    |
| Tupper     | Watts      | Charles H. |
| Tuten      | Weitner    | Wright     |
| Udall      | White      | Young      |
| Ullman     | Whitener   | Zablocki   |
| Van Deerin | Wickersham |            |
| Vanik      | Willis     |            |

## NOT VOTING—9

|                |            |         |
|----------------|------------|---------|
| Baring         | Jones, Mo. | Norblad |
| Beckworth      | Lankford   | Passman |
| Bennett, Mich. | Lennon     | Siler   |

So the recommendation of the Committee of the Whole that the enacting clause be stricken out was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Lennon for, with Mr. Beckworth against.

Mr. Passman for, with Mr. Lankford against.

Until further notice:

Mr. Baring with Mr. Siler.

The result of the vote was announced as above recorded.

The SPEAKER. Under the rules of the House, the House will resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

## PARLIAMENTARY INQUIRY

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. HALLECK. Mr. Speaker, in view of the fact that the motion to strike the enacting clause was carried in Committee of the Whole, under the rules of the House does further consideration of the bill continue in the House or do we return to the Committee of the Whole?

The SPEAKER. The rule is specific on that point.

Whenever a bill is reported from a Committee of the Whole with an adverse recommendation and such recommendation is disagreed to by the House, the bill shall stand recommitted to the said Committee without further action by the House.

The Committee will resume its sitting.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11377, with Mr. RAINS in the chair.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia in support of his amendment.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield to the gentleman from Texas.

Mr. POAGE. I should like for the RECORD to show at this time that our colleague, the gentleman from Texas [Mr. BECKWORTH] is absent at this time on account of the death of his stepmother, and that, had he been present, he would have voted to sustain the bill. He would have also voted for the resolution passed this morning supporting the action of the President.

Mr. LANDRUM. Mr. Chairman, this substitute amendment, may I say again

as earnestly and emphatically as I know how, provides that no Job Corps conservation camp or youth conservation camp, can be established within a State without the plan for such having first been submitted to the Governor of that State and not having been, within 30 days from the submission thereof, disapproved by him.

This amendment, moreover, provides that no political parties can get any benefits from any funds appropriated under the authorization of this bill.

The amendment provides further that no grant or loan under this bill to any community organization plan can be paid to that organization—nor can any assistance be given to that organization—until the plan proposed by the organization and approved by the Director has first been submitted to the Governor of the State wherein that plan is to be carried out by that community organization, whatever it is, and the Governor of that State has not within 30 days disapproved that plan.

That does not apply only to a private organization, but, moreover, no community action plan can be entered into and no agreement can be made—no loan, no grant, no participation whatever—even with a public agency of a State until the plan has first been submitted to the Governor of that State and the Governor has not, within 30 days, disapproved of such plan.

How much more local control can you get into a bill?

No action can occur in the Job Corps or the community action section—if this bill passes, unless first the plan has been submitted to the Governor of the State and he has not, within 30 days from the submission thereof, vetoed it.

The criticism offered by the opposition is that this is a centralization of authority to take over activities in the States and subdivisions of the States by organizations established at random.

That simply is not the case, because the proviso in section 209 paragraph (c) provides specifically what I have said. Moreover, in title III where there is authority for a grant of \$1,500 to a farm family which cannot meet the requirements of other farm programs under FHA, the provision put in by the other body giving authority to the Director to forgive a loan under this title has been stricken by this amendment.

Again I say to the satisfaction of those who are concerned about the unemployment compensation provision, section 701 of title VII has been stricken by this amendment. There simply is not any other way to control the programs under this bill at the local level than we have provided here. Nothing can take place in Louisville, Ky., or Atlanta, Ga., or New York City without first that plan having been submitted to the respective Governors of those States and those Governors within 30 days have not disapproved.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Chairman, obviously it is impossible in 5 minutes—and I shall not request unanimous consent to continue for any longer—to discuss a substitute of 67 pages which is not available in a form which Members can see and which they can evaluate and about which they can come to their own conclusions.

With respect to this so-called Governors veto, the language which the gentleman from Georgia suggests makes even worse what the other body approved. In no way does this language modify the objections which many of us have to the so-called community action programs. My alternative program would establish responsibility in the States for developing State plans and for the States to determine priority needs in this field of poverty.

This so-called veto by Governors would allow a Governor to forbid a federally financed project to come into his State, without giving any reasons for his veto. It does absolutely nothing, despite what the gentleman from Georgia has just said, to give the local community any control at all. The gentleman from Georgia says, how much more local control could you ask for than this? This proposal gives the communities no local control. The mayor of the city of New York said that if we are going to have community action programs, there should be some governmental responsibility for the handling of the poverty funds in that community. The fact that a Governor has the veto establishes no sense of responsibility, or of participation of any kind. It is impossible—but perhaps nobody cares—adequately and seriously to evaluate the significance of such a veto. It is my feeling that you could not improve the community action program by such a limitation on the power of the Director. It would only be a negative power, probably acted upon or quite possibly acted upon, because a Governor would not like to see a federally financed program which does not practice discrimination in his State, or which for other reasons does not meet the standards which he may set up. This would not be the kind of participation in any sense that we talk about. This is why we oppose a new Federal agency with unlimited power to pick and choose the nature of the projects, whether private or public. The limitation offered by the Senate would be surely more wise than the one now proposed. Theirs would say that the Governor would have a veto with respect to assistance to private agencies only.

It would prevent a private agency, which might well not be representative of the community, from getting funds unless somebody at a level other than the Federal gave the green light. However, it would seem very unwise that there could not be a direct Federal grant to a public community agency unless approval had been given at the Federal level. Why do I say that? I say that for a very practical reason. Mayor Daley, of Chicago, and also the Governor of North Carolina testified that if we are to make sense in the expenditure of public money



we must have some sense of responsibility both on the State and local level. Obviously responsibility cannot be exercised by a simple veto by a Governor.

A veto does not in any way pull in either the State or the local government. There is a deliberate exclusion of both levels. It would also be a serve limitation, as the New York Times in its editorial brought out this morning, on what might be a basic justification for this kind of Federal power to provide some financial assistance to assist in these poverty projects. Such a veto would provide a purely arbitrary limitation, without any suggestion as to where the money should go, by the chief executive of the State.

I wish there were more time to discuss the many, many other provisions in this bill, but I can see that there is going to be no opportunity either to ask questions about the changes made by the Senate or the changes since proposed by the gentleman from Georgia. I can just say, with all the strength at my command, that we should take a better look at this legislation. It is getting late in the day, and this is Friday, and we are obviously not going to have time for an adequate discussion.

Mr. ROOSEVELT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we are now going over exactly the same ground we went over yesterday. It seems to me very clear what the gentleman from Georgia has done is simply to try to make abundantly clear that this community action program is a Federal, a State, and a community program. The gentleman from New Jersey suggests that he has an alternative program. There indeed might be a lot of alternative programs, but the basic facts are that this is the considered judgment of both the other body and this body together.

It seems to me beyond any question that what the gentleman from Georgia has proposed to us very definitely improves the bill. I trust that we may go forward now with such amendments as individual Members may wish to offer and that we will not go over the same ground which we have been over, over, and over again.

At this point, Mr. Chairman, I yield to the gentlelady from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Chairman, I thank the gentleman from California. I take this time to direct a question both to the gentleman from California and also to the distinguished gentleman from Georgia, the author of the bill.

In the committee it was agreed—and in the committee report it was emphasized—that at least one-third of the Job Corps positions would be made available to girls. I am very much disturbed over a memorandum from downtown dated July 7, 1964, which said that there would be "2,000 or 4,000 enrollees in small women's training units of 100 or so enrollees each." This is not my understanding of the bill, that the Job Corps enrollees would be limited to 2,000 to

4,000 girls the first year or any year; rather one-third of the total Job Corps places shall be for girls. And we hope that in the first year that that will be about 40,000 Job Corps enrollees which would mean about 12,000 or 13,000 places for young women. About 50 percent of the school dropouts are girls.

What is the understanding of the gentleman from California and also that of the distinguished gentleman from Georgia?

Mr. ROOSEVELT. May I yield to the gentleman from Georgia first to answer the gentlelady's question.

Mr. LANDRUM. It is my understanding that in the report the committee did suggest that one-third of the Job Corps would be composed of young women.

Mr. ROOSEVELT. I say to the gentleman from Georgia that I completely agree with him, and I think it makes the legislative record very clear. I imagine attention will be paid to this by the Director.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, when the gentleman from Georgia explained the amendments which he included in his substitute to the bill of the other body, which was a substitute to the bill reported out of our committee, one of the amendments was to title III to remove the authority which was put in the bill in the other body which would permit the Director to reduce or release obligations resulting from the loans which would be granted under this title. By striking that language it appeared that he took the authority away from the Director to forgive the loans in title III. But, that is not the case.

Mr. Chairman, if the members of the Committee will turn to section 602, subsection (l), you will find that the Director has the authority, has had it since the bill was first drafted, "To compromise all obligations to him." This means that he can grant the loans and then turn around and forgive them.

Mr. Chairman, there was no necessity for that language which was stricken. It was already in the bill in section 602(l).

Mr. Chairman, to those members of the Committee who feel that the objectionable features to title III have all been removed, it is my opinion that they ought to read subsection (k) as well as (l), because this permits the Director, notwithstanding any other provision of law relating to acquisition handling and disposal of real or personal property in the United States to deal with, manage, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him at any other location, and if he makes a loan to someone who cannot repay it and he must foreclose on it, he is not controlled by any of the laws which anyone else in the Federal Government must abide by. But, he has the carte blanche authority to dispose of and utilize this property in any

way he wants, further indicating that this entire legislation gives complete and unprecedented authority to the Director.

We have never given anyone that kind of authority in any other program.

Mr. Chairman, this is just one section in title III that I want to point out because the members of the Committee may get the impression that the objectionable features have been removed from this bill.

The subsections 602 (k) and (l) give the Director so much power and authority, so much leeway, that he is not governed by the laws that we now have affecting the executive branch of our Government in order that they may handle judiciously anything they acquire, real or personal property, or in the granting of plans. He can forgive any loan under title III and title IV and any property he acquires can be utilized and disposed of at his whim.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. BARRY. I thank the gentleman for yielding.

(Mr. BARRY asked and was given permission to revise and extend his remarks.)

Mr. BARRY. Mr. Chairman, I rise in opposition to the so-called antipoverty bill, H.R. 11377.

As long as poverty exists in America, our goal should be to create new opportunity for the less fortunate. The decision, therefore, is not whether to pursue a war on poverty but how to achieve this objective. Each segment of the country has a stake in this goal and should not be bypassed. The problem is so diverse and complex that every resource of the Federal Government, the States, communities, voluntary organizations, businesses, and the individual are needed for a well-coordinated effort. However, these factors have been overlooked in the administration's bill, H.R. 11377, which this body is considering today.

Specifically, the result of H.R. 11377 is an ill-conceived approach to the problems of poverty in America. The bill duplicates existing programs at extraordinary costs to the taxpayer. It ignores the commitment of the enormous resources needed to meet the problems of the poor.

A sweeping antipoverty plan was to be formulated on a nonpartisan basis on the assumption that poverty knows no political affiliation. But, because of political ambitions in a presidential election year, the war on poverty was bogged down by totalitarian methods and fragmentation of effort. As it now stands, the present bill proposes no new, overall solutions. The machinery the bill authorizes is already available through existing Federal laws. At this time there are 12 Federal departments and agencies administering 53 different programs to combat poverty with a budget for 1965 set at \$31.8 billion. If the Nation is to meet the poverty problem head on we must supplement existing laws, not supplant them.



Undemocratic committee procedure produced this bill, political in nature and duplicating existing laws. The minority members found themselves locked out of the committee because they supported a program administered by existing Federal, State, and local agencies, while the majority members reported their own partisan bill, H.R. 11377. Therefore, the Congress and the public are offered no alternatives. The bill's one innovation is a new Federal bureaucracy, manifested in the Office of Economic Opportunity whose Director is accorded unbridled power to use Federal funds as he personally designates. The Director would not be required to coordinate his private poverty war with existing Federal, State or community relief programs. The danger of this most sweeping and undefined grant of power in one man and one Federal agency is the destruction of established State and community plans and the violation of every concept of the Federal-State relationship.

Almost \$1 billion is authorized for the first year, much of which would be directed toward administrative expenses of a new Federal agency. But even this sum alone cannot answer the Nation's poverty problems, for if divided among the number of people whom the administration labels as "poverty stricken" it would amount to less than \$28 per person for the whole year's operation.

A brief examination of the major sections of the bill further exposes the superficiality of its promises of new relief for the poverty stricken as well as its duplication of existing laws.

The Job Corps establishes conservation camps and training centers for 16- to 21-year-olds, with emphasis on vocational training. In addition to camp construction expenses the program will cost \$4,700 a year for each enrollee, even though a successful vocational training program is already in existence through the Manpower Development and Retraining Act. The Job Corps would compete with this program and could cripple State and local action projects.

Through the work training programs the Federal Government would pay the costs of work undertaken by the unemployed, in order to permit them to remain in school or improve skills. The plan leaves undefined the type of work, pay, or number of hours—to be determined at the discretion of the Director—and duplicates the provisions of the Vocational Education Act passed by Congress last year.

The work-study program is a complete duplication of the present student loan assistance received under the National Defense Education Act and, alone, will cost \$125 million the first year.

The community action program grants the Director sole authority to give grants and contracts to public and nonprofit agencies for undefined urban or rural projects in the categories of health, welfare, education, housing, employment and family life. This provision, one of the more glaring deficiencies of the bill, does not require the consent of State or local officials beyond affording the Governor the opportunity to comment. The

Director would establish criteria for all projects and could bypass agencies now dealing with community action poverty programs. Hardly reliant upon local initiative, it shifts the responsibility from the community to the Federal Government.

The rural area proposal authorizes the Director to give direct grants of \$1,500 or loans of up to \$2,500 to low-income farmers. At present, a highly successful loan program for these farmers is conducted by the Farmers Home Administration to help them improve farm operations. The proposed provision not only dangerously subverts the FHA's well-established loan program, but would perpetuate subsistence farming and rural slums.

Special loans for small businesses merely overlaps the authority of the Small Business Administration and, by requiring the applicant to attend a management training course, intrudes upon the borrower and suggests he is an incompetent businessman.

These unreasonable duplications of existing laws can only create havoc by competing with present programs and rendering them ineffective by fragmenting authority. Furthermore, the vague language of the bill and lack of definition of objective and methods indicate no clear conception of the problems of the Nation's poor. To ignore public and private efforts minimizes the potential of a balanced economic development and can lead only to a superficial remedy of the poverty problem.

May I quote from an editorial of the Americans for Democratic Action, usually well aligned with the administration:

ADA welcomes the President's message on poverty as a long-awaited first salvo in the war against poverty. However, we regret that this first battle is not to be fought in greater strength.

It sidesteps the issue of commitment of the enormous resources that must be used if the poor are to be lifted out of their poverty. \* \* \* The war on poverty cannot be carried on by administrative and budgetary guerrilla warfare.

Now that America's conscience has been awakened and the problem of poverty has surfaced into American politics, it must be met by measures commensurate with the need. This involves resources on a larger scale than this country has been willing to admit.

For this very reason this Congress cannot afford to take action on a bill which does not recognize the scope of the problem. Congress should have the information and data necessary to make an informed and valid decision and this information is certainly not available at this time. I therefore oppose H.R. 11377 and advocate that in its stead the Congress consider H.R. 12040, a bill to create a National Commission on Human Resources Development. The bill would establish a national commission to evaluate present poverty programs, to inquire into the causes of poverty, and to recommend such specific actions at the local, State, and Federal levels as may be necessary to control and overcome both the causes and effects of poverty. Such a bill will permit Congress to act

responsibly in the public interest, rather than approving measures of unknown consequences based on unreliable evidence as we are being asked to do today.

Mr. QUIE. Mr. Chairman, I shall not take any more time but, rather, I would like to hear the amendment of the gentleman from Ohio, who has a substitute, which I think would be the preferable avenue to take at this time.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(Mr. FARBSTEIN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FARBSTEIN. Mr. Chairman, I urge the passage of the Economic Opportunity Act of 1964 now. Assuming but not conceding there may be some imperfections in the drafting of this legislation, I still say it should be enacted now and correcting legislation, if necessary, passed next year. We can learn by doing rather than by delay.

Today, approximately one-fifth of the Nation lives in conditions of poverty. To a large extent, this is the result of unemployment or underemployment. While vast improvements have been made in this area since the beginning of Franklin D. Roosevelt's administration, there is no reason why this problem cannot be further alleviated. In the United States, in the second half of the 20th century, there is no reason why these 38 million Americans should want.

Today the United States possesses the constantly expanding power to produce. Technological developments in the fields of communications and transportation, automation and cybernetics have produced an unprecedented rate of economic growth. We are producing capital and consumer goods at a rate unimaginable as little as 10 years ago.

This technological progress is, however, Janus faced. More is produced but more jobs are eliminated. In the increasingly specialized United States of the 1960's, the unskilled worker is fast becoming obsolete.

Thus, in the midst of all this plenty, we find a large proportion of our people living in abject poverty. Poverty and unemployment are daily realities for this fifth of the Nation.

The forced idleness and poverty of unemployment or underemployment brings with it apathy and a feeling of rootlessness. To the unemployed worker, life loses much of its meaning. There is little or nothing to break the monotony of the idle hours. There is none of the satisfaction of producing and earning, which is common to the majority of the population. Each day brings with it new frustrations, bears testimony to more unsatisfied desires. It is idleness such as this, and the feeling that he is not living up to his capabilities as a human being that corrodes his moral fiber and destroys his faith in our American way of life. It is forced idleness such as this which leads men to dissipate their lives in crime or drink, or which turns them to radical solutions. It is forced idleness such as this which leads youth to antisocial behavior, such as juvenile delinquency or drug addiction.



Today we are faced with the prospect of a growing class of permanently unemployed. These people, in all areas of the Nation, have been left behind by the great technological advances of the last few years. The poor have children who are in turned forced, by economic necessity, to drop out of school before attaining a diploma, and in turn, remain poor and unskilled. The cycle repeats itself; the sins of the father, if any there be, visit themselves upon the son. Jobless now, or in jobs that will soon be rendered unnecessary by technological advances, without vocational skill or what is considered by most to be the elementary requisites of a social education, these people are, in our increasingly skilled society, becoming a caste apart from the rest. Especially in the United States, where this state of affairs is unnecessary, it is intolerable.

We seek to overcome these age-old problems of mass poverty and mass unemployment which have been used as a basis of revolution, both of the left and of the right. Today, this Congress is asked to pass an antipoverty bill in an attempt, even if only in a small way, to overcome these debilitating factors in the United States.

The antipoverty bill is aimed at alleviating the plight of this depressed segment of the population by helping them to help themselves, and, at the same time, to help the community as a whole. As such, it is a long-term plan aimed at the causes, rather than merely the results, of poverty.

The bill provides immediate aid to the unemployed by making available employment on needed public projects, administered by the State or Federal Government. It builds a strong foundation for the future by allowing those employed on such projects to acquire the skills they will need to rejoin the American economy. It enables youths, under various programs, to work and attend schools, acquiring the skills without which they are consigned to a dismal future.

The antipoverty bill will not take jobs away from those who now hold them. Instead, it will create new jobs by stimulating work on needed public projects, projects which will make the United States a more pleasant place in which to live and, at the same time, will accrue to the benefit of the society and the economy as a whole. Such urgently needed projects as urban renewal, improvement of communication and transportation facilities, and efforts for the conservation of our natural resources will be among the products of the bill.

The bill contains special provisions aimed at the youth of the Nation.

Title I is geared toward helping our young people to acquire the skills they will need to successfully enter into our economy.

A Job Corps is created by part A. This will provide educational and vocational training for young people, both men and women, between the ages of 16 and 21, in urban and rural training centers. This program, largely limited to high school dropouts, would place them in an en-

vironment which would inculcate in them attitudes basically consonant with our American way of life.

Part B creates a work-training program which will allow unemployed youths to develop skills while working on public service projects under public agencies or approved private nonprofit organizations.

Part C creates a work-study program which will allow many capable youths to attend school while holding down part-time jobs at or near their schools, geared to their school hours. Attempts will be made to find them jobs related to their fields of education.

In my own 19th District of New Jersey, the mobilization for youth project, initiated pursuant to the Juvenile Delinquency and Youth Offenses Control Act of 1961, has demonstrated the feasibility of such an approach to the problem. Under this locally administered program, low-income youths, mainly high school dropouts, are trained as short-order cooks, gas station attendants, tutors, et cetera. The results of this program have already proven very satisfactory.

Title II, section 1 of the present bill authorizes the granting of aid to community action programs. Aid will be given to local and private nonprofit organizations which propose plans for worthy projects which will utilize to the maximum degree the poverty-stricken manpower of the area. This section relies largely upon local initiative.

Adults are also provided for.

Section 2 authorizes the creation of adult basic education programs, enabling illiterate adults, or those with English language difficulties, to obtain a basic education through the use of public school facilities. This should enable them to fully utilize their abilities.

Title III creates a rural antipoverty program. Under part A, grants of up to \$1,500 and loans of up to \$2,500 will be given to low-income farm families to be used as investments for the future by the buying of land, improvement of said land, and so forth. Assistance will also be given to nonprofit family farm development corporations and cooperatives.

Part B provides for Federal aid, channeled through public agencies and private nonprofit organizations, for the building of houses and the furnishing of sanitary facilities for migrant farmworkers and their families.

Title IV authorizes 15-year loans or Federal guarantees of loans up to \$15,000 to small businesses where the objectives of the act will be forwarded thereby. This money would come out of existing Small Business Administration funds.

Title V authorizes expenditures of additional Federal funds for the expansion of existing projects under the Department of Health, Education, and Welfare which provides work-training programs for unemployed parents who have families receiving assistance for dependent children.

Title VI provides for the establishment of a coordinating office, the Office of Economic Opportunity, for the coordination of programs authorized by the bill with existing governmental programs, and for

the enrollment of a corps of "Volunteers in Service to America."

Although there are other agencies engaged in similar endeavors in some of these areas, provision has been made, especially in title VI, part B, for coordination of the plans so that there should be no overlapping.

Title VII provides that the first \$85 and one-half of all payments beyond that sum are not to be considered as income by the State for the purpose of assessing need under the plan with regard to that person or other members of his family.

It will be noted that the bill before us is a flexible one. Its outstanding feature is the voluntary nature of the association that will be formed. Neither the individual nor the State will be forced to work or to initiate such projects. Due to the fact that provision is made for channeling the funds to the States for use on State-originated plans, the projects are expected to achieve maximum efficiency in the areas where they are needed most.

This bill is definitely needed to provide all of our people with the ability to survive in today's complex society. It is the most effective measure yet prepared for the aid of this forgotten fifth of our people. I strongly urge its passage.

AMENDMENT OFFERED BY MR. THOMPSON OF NEW JERSEY

Mr. THOMPSON of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of New Jersey to the amendment offered by Mr. LANDRUM of Georgia: On page 5, line 1, after the period strike out the remainder of the subsection.

Mr. GRIFFIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman yield for that purpose?

Mr. THOMPSON of New Jersey. I yield.

Mr. GRIFFIN. The gentleman's amendment refers to page 5 of Mr. LANDRUM's amendment, and that has no significance to anybody else.

Mr. THOMPSON of New Jersey. It is page 5 of the substitute which has been read. In the comparative print you will find it on page 5, line 4, beginning with the word "only." I would strike beginning with the word "only" the remainder of that subsection.

Mr. Chairman, this is a very simple amendment, the purpose of which is to eliminate the following language:

Only in exceptional cases shall enrollees in the corps be graduates of an accredited high school, and no person shall be accepted for enrollment in the corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

The purpose of this amendment is to allow the many, many disadvantaged youngsters who are by perseverance and sacrifice on their part and their families, graduates from high school, yet are unable to find employment, to get into the corps.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?



Mr. THOMPSON of New Jersey. I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, I have looked at the gentleman's amendment and believe it is a good one, and certainly would be appropriate to the needs of these young people in whose interest the gentleman is speaking and, so far as I am concerned, it is acceptable.

Mr. THOMPSON of New Jersey. Mr. Chairman, I yield back the balance of my time.

Mr. GOODELL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey [Mr. THOMPSON].

Mr. Chairman, this illustrates very well why many of us have found it impossible to amend this bill in order to make it meet the objections that were originally advanced by us in the hearings.

This is a provision with reference to the Job Corps. When we were talking about it we said:

Well, now, you know under the manpower retraining bill they started out and took quite a number of high school students.

They did not go to those who needed it the most. The defense that was given was, yes, that is true, but the manpower program was designed to do this. It was designed to help those who had some formal education, who were able to take care of themselves and who had the ability to study, and adapt themselves to the changes that have taken place in our technological world.

With reference to this bill they have said:

We have to have here a Job Corps that will motivate the youngsters who have not been motivated to go into the manpower retraining program, who have not the push to get into an educational and vocational program. So let us set up a Job Corps.

In the process of the discussions the defenders of this legislation said:

Obviously you are not going to take high school graduates, people who can be employed or go into the manpower retraining program, or vocational educational program. This Job Corps is for another group.

The Thompson amendment will now delete the requirement that enrollees not be high school graduates except in very unusual circumstances. The bill will then completely overlap the manpower retraining bill and the vocational educational assistance.

Mr. Chairman, this poverty bill has been described as a program of education and training. You all know that I and a great many other members of our committee have been very much concerned about structural unemployment in this country. We worked hard to develop a manpower retraining bill. Last year we adopted a vocational education bill that was a landmark and virtually revolutionary in its impact on the vocational education of this country. It changed the whole outlook of vocational and educational activities.

I read to you the declaration of purpose of this vocational educational bill that we passed last year.

To develop new programs of vocational education, and to provide part-time employment

for youths who need the earnings from such employment to continue their vocational training on a full-time basis, so that persons of all ages in all communities of the State—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, and those with special educational handicaps—will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of actual or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training.

To implement that declaration we put in area vocational schools, we put in residential vocational schools, we put in a work-study program, we have now on the law books through vocational education, the manpower bill and the amendments of last December, programs that will help these people, not only those who are motivated and who can go and get the training but those who are unmotivated. In the manpower amendments of last December we put in a special youth section, so that you can take young people who have problems in motivation and you can even get the psychologists working on them. The difference is, it is done working through our local people, and it is done with guarantees that it will be done in existing programs. We also added basic education to the manpower bill to help those who cannot read and write.

I cannot think of a better example than this amendment to point out that we have a large part of the education and training aspects of this poverty program basically available under present law, the difference being that the present law requires that your work be done through your local and State people.

Mr. PIKE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am among those who have been listed as undecided on this legislation. I expect that these listings have become rather public property, and I expect further that no one would be particularly surprised to learn that quite a few people have volunteered some assistance in the decisionmaking process.

I support this amendment because I am deeply concerned about what this bill, as now worded, will do to the motivation of those whom it is designed to help. It seems to me that there is absolutely nothing more important in any social welfare legislation than the question of what that legislation does to encourage or discourage human beings. We take pride in referring to this Congress as the education Congress, and I submit to you that the language which I am seeking to strike out will do more to undermine that reputation than almost anything we could do.

We are seeking to help the hopeless, the frustrated, the uneducated, the unemployed. We are concerned in particular about the problem of those who have dropped out of high school. So what have we done here? We have encouraged them to drop out of high school. We have written into this section of the bill a provision which says

to the boy or girl who has fought and tried and studied and scratched and made it to a high school diploma, "You do not qualify."

We are saying to the young man or woman who has taken the easy way, or who is considering dropping out of school, "If you drop out, you may qualify." We are creating a respectable alternative to the hard work involved for some of these people in finishing high school.

Now, I know that there will be those who say that the dropouts need it most, and they are right. But I say that those who have fought and scraped and tried deserve it most, and I think we should address ourselves to the question of whether we should try to motivate young men and young women to be deserving, or to motivate them to be needy.

Picture two boys standing on a street corner in any city or town in the United States of America. Both have looked for jobs; both have failed to find them. One is a high school graduate, and the other one is not. One can look to the Federal Government for assistance under this section, and the other one cannot. Who is going to be the most frustrated? Who is going to be the most unhappy? Who is going to be the most bitter?

I suggest to you that the boy who has tried, who has fought, who has made the sacrifices necessary to finish school, and who then finds that this Congress has said to him, "You do not qualify," is going to be the greatest source of ferment and disorder. I do not say limit this Job Corps to high school graduates; I do not say favor high school graduates in this Job Corps, but I do say, for Heaven's sake, give them an equal opportunity. Do not establish as a matter of policy the fact that the education Congress wrote into law a provision which can have no other result than to encourage young people to drop out of school, with the knowledge that Uncle will take care of them.

Mr. Chairman, I urge that this amendment be agreed to.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I am happy to yield to the gentleman from Virginia.

Mr. HARDY. I want to commend the gentleman for his comments. I know this is an extremely important amendment. I know the gentleman from New York has had a great deal to do with having this brought before the House at this time. I think the amendment that has been offered should be adopted.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I am happy to yield to the gentleman from New Jersey.

Mr. JOELSON. Mr. Chairman, this seems to be a day in which we are dealing with crises and emergencies. Not long ago, we addressed ourselves to the situation in Vietnam which we recognized as an emergency. It is my belief that our poverty situation at home also represents a burning crisis, although many of us in the Congress are apparently deaf and blind to it.

Poverty breeds despair, and despair breeds the violence and riots which are



making headlines today. I am appalled, disturbed, and dismayed by these deplorable street riots. I am equally appalled, disturbed, and dismayed by the fact that we in America have failed to act against the terrible conditions which are exploited by irresponsible elements to spark violence.

For us to refuse to support a comprehensive program against poverty is to ignore a tiger at our gates. Do any of us really believe that discontent and despair will evaporate through inaction? Can we be so unrealistic as to think that the problem will wither after the summer like the daisies of the field?

The plain fact is that we are faced with the crying need for action right here and now. Failure to act will be an indication to millions of Americans, Negro and white, that their Government is callous to their misery.

I do not say that every provision of the antipoverty bill will result in unqualified success. I do say, however, that it is up to us to try with hope and compassion rather than to oppose with coldness and cynicism.

America now must face up to the attack of poverty with the counterattack of decency and caring.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman.

Mr. PERKINS. Mr. Chairman, I can see no objection to the amendment offered by the gentleman from New Jersey. It expresses very clearly our purpose in the program and conforms to my feelings as to how the language in the bill would allow administrators of the program to operate. There are clearly instances where children who even though they may hold in their hands a high school diploma, should be permitted to enroll in the Job Corps because of the benefits they can derive from the work, education, and training under such a program. It has not been my intention nor the intention of any member of the committee supporting this youth program to exclude any needy youngster who can benefit. I think both the House and Senate reports make this clear. I should also like to emphasize that when young people apply for enrollment in one of the programs authorized by this bill they will be extensively counseled by educators, job market analysts, and student guidance counselors, and will be placed in the program where they can best benefit—whether that is in the Manpower Development and Training Act, under a vocational education program, in the job corps or other regular educational programs. The counseling process is a very important aspect of this legislation and through it young people may actually find the way into the appropriate training program for them which might not otherwise be possible. I can assure all who have expressed concern on this point that there will be no duplication of the programs.

Mr. Chairman, this is a good amendment and I am pleased to join with the gentleman from New Jersey in urging its adoption.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman.

Mr. GOODELL. The gentleman has made a good point with respect to trying to help those who want to help themselves. We want to do this. The problem is, and we put specific language in here with an exception that "only in exceptional cases shall enrollees of that Corps be graduates of an accredited high school," recognizing there may be some cases this would be so. This establishment of the proponents is going to cost about \$4,700 for every enrollee. You are taking them into a special camp and you are not saying that the utilization of the present program is not enough.

(Mr. PIKE asked and was given permission to revise and extend his remarks.)

Mr. BELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the point the gentleman from New York has made is not valid because of the fact that the very purpose of this program is to help those who are underprivileged and are dropouts and who are not educated adequately to make a living in this life.

The purpose of having the high school graduates not involved in the training program is because the high school graduates can go to the vocational education programs. They can get educated under the Manpower Development and Training Act. They are qualified to go and get training in jobs right now. The arguments that have been used on this floor in favor of the Job Corps have been that the youths who are not educated need to have a place to go to get educated and trained well enough so they can enter vocational education schools. I was the one who first suggested this particular amendment which we are now attempting to eliminate. It was overwhelmingly approved by the committee membership. Another of the purposes of the original committee amendment was to form perhaps some Corps leadership by having a few high school graduates in the Corps—but only a small number—a few in the Corps which could then provide a certain amount of guidance and leadership. But the idea of not accepting a large number of high school graduates was primarily because they could go to the vocational education programs and other programs.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman.

Mr. GOODELL. Let it be emphasized first of all that under the manpower retraining bill and under the vocational programs, the youngsters are eligible to get training and education. Those who have not enough basic education are eligible. Even your high school graduates are eligible.

We do have special provisions to see to it that we do not induce high school graduates to drop out to get into the program.

This program proposed for the Job Corps supposedly would help those who need to be motivated, who cannot get under the manpower bill or under the

vocational bill. The amendment would strike the requirement that these youngsters going into the Corps not be high school graduates.

In other words, if the amendment should be adopted, high school graduates would be eligible to go into the Corps and the camps, at a cost of \$4,700 a year each.

Under the language as it stands in the bill, we would permit some high school graduates to go in, but only in exceptional cases, recognizing that there might be exceptional cases in which high school graduates should go to the camps.

The other thing which the amendment would strike down is the required assessment made by competent local education people that the proposed enrollee cannot be helped by regular academic vocational training programs.

It seems to me that the first elementary decision which should be made, before sending a youngster off at \$4,700 a year into a camp, is a determination that he cannot be helped with any of the existing programs—vocational, manpower, or otherwise.

The language which sets up that criterion would be stricken by this amendment.

This illustrates once again the tremendous overlap in this piece of legislation with existing legislation.

Mr. LANDRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. FRELINGHUYSEN. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. LANDRUM. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Does the gentleman from Georgia refer only to the amendment of the gentleman from New Jersey [Mr. THOMPSON]?

Mr. LANDRUM. Yes; to the amendment of the gentleman from New Jersey [Mr. THOMPSON].

The CHAIRMAN. The question is on the motion of the gentleman from Georgia that all debate on the amendment of the gentleman from New Jersey [Mr. THOMPSON] close in 5 minutes.

Mr. JOHANSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROOSEVELT and Mr. JOHANSEN.

The committee divided and the tellers reported that there were—ayes 161, noes 95.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, the situation in which we now find ourselves is the climax of a very dismal performance, both in our committee and now on the floor of the House. We have been blackjacked, gagged, threatened and bulldozed to accept something that we know is not good. This inexcusable performance today strikes me as a re-



flection on the legislative process itself.

The amendment which is being offered is of some consequence. The present language at least attempts to define the need of young people who should be benefited by this Job Corps. In my mind it is one of the few aspects of this Job Corps proposal which makes any sense. If we mean to have high school graduates in the Job Corps we surely should not have been describing it as a place for the illiterates to go, and for draft rejectees and the ones who do not know how to read and write, and for those who have no motivation. Surely we should reject this amendment and proceed with our discussion of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Hawaii [Mr. GILL].

Mr. GILL. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Georgia [Mr. LANDRUM].

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

Mr. CURTIS. Mr. Chairman, I object.

Mr. GILL. Mr. Chairman, I rise in support of the Thompson amendment. I think it gives a little more room for discretion in an area where we need it. Because a man may have graduated from high school does not necessarily mean that he has the training or the motivation he needs to make a living. Standards of high schools vary; some graduates may not have the same education as a ninth grade student elsewhere. This amendment will allow him to be considered without ruling him out on the basis of an artificial standard.

(Mr. GILL asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I think everything should understand that if we adopt the Thompson amendment to strike the last sentence of section 104(a), it will be a part of legislative history. It will mean the Congress wants high school graduates in the Job Corps and also wants the Job Corps to be in competition with the regular academic, vocational and training programs that are going on in the local community. I did not think anybody proposed previously that this be done, but this is what our action will mean. What I worry about in connection with the Job Corps is that it will not get to the people who have the real problem. We could not get this pinned down with Department witness in the committee hearings and if this language is stricken out it will take that directive language out of the bill. This amendment was introduced by the gentleman from California [Mr. BELL] and accepted by the majority of the Education and Labor Committee of this body and the entire other body. There is not sufficient money to take care of all dropouts who could utilize the Job Corps, but if this language is stricken, high school graduates and students who are presently attending school will be in competition with the most needy.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I yield to the gentleman from California [Mr. BELL].

Mr. BELL. Mr. Chairman, the purpose of title I of this bill is to work for and to set up a program for the Job Corps which is made up primarily of dropouts and people who have not been able to become economically self-sufficient primarily due to lack of education.

Now at this particular time we are going to add high school graduates to the Job Corps program. For the sum of \$4,700 we could probably send those high school graduates to Harvard.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. GOODELL. I think the precise figure is \$2,801 for a year at Harvard.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I want to make very clear that I do not agree with the legislative history made by I believe the gentleman from Minnesota [Mr. QUIE]. As far as I am concerned this is a good amendment. It does not mean that we have to take high school graduates or duplicate anyone else. It simply means that they will not be discriminated against and their motivation, therefore, of staying in school to complete high school certainly will remain as the ultimate goal.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, as the time draws near for concluding this debate and obtaining a final vote on one of the most significant pieces of legislation for the welfare of our country in recent years, I would only stress what I have said throughout the debate. The major significance and importance of this bill is that it is designed to strike at the most difficult part of the total problem of economic hardship. It is designed to help those families obtain employment, training, and education who are not only unemployed but who stand to gain little benefit from the previous programs of training fashioned to solve the unemployment problem.

I urge adoption of the legislation.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

(Mr. CURTIS asked and was given permission to revise and extend his remarks.)

Mr. CURTIS. Mr. Chairman, I note that it is very difficult for someone who is not on the committee to say anything on this bill.

Mr. Chairman, I testified before the committee in an effort to try to get the members to coordinate what they were attempting to do with reference to the jurisdiction of the other various commit-

tees of the House, particularly the Committee on Ways and Means which handles unemployment insurance and which handles all social security measures, the base of all welfare bills.

Mr. Chairman, this procedure we are following is a travesty.

Mr. Chairman, I had a great deal to do with the writing of the Manpower Retraining Act. In that case proper procedures were followed in working together, Democrats and Republicans, and with reference to the application of the jurisdiction of various committees and the crossing over of the boundaries of jurisdiction of those committees.

There is nothing to be said here at this time under the ridiculous procedure we are following of three-quarters of a minute allotted to each Member. This is exactly what the majority leader had in mind when he said:

When the majority has the votes just vote them, the will of the majority must prevail.

But, Mr. Chairman, these kind of procedures are not those of a deliberative body.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired.

The question is on the amendment offered by the gentleman from New Jersey [Mr. THOMPSON] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. FRELINGHUYSEN. Mr. Chairman, I demand tellers.

Tellers were ordered and the Chairman appointed as tellers Mr. ROOSEVELT and Mr. FRELINGHUYSEN.

The Committee divided, and the tellers reported that there were—ayes 161, noes 92.

So the amendment was agreed to.

SUBSTITUTE AMENDMENT OFFERED BY MR. AYRES

Mr. AYRES. Mr. Chairman, I offer an amendment in the form of a substitute.

The Clerk read as follows:

Amendment offered by Mr. AYRES as a substitute for the amendment offered by Mr. LANDRUM:

"That this Act may be cited as the 'Human Resources Development Act of 1964'.

"FINDINGS AND DECLARATIONS OF PURPOSE

"SECTION 1. Through the economic system of free enterprise, nurtured under a free society in which the powers of government are limited and decentralized so as to encourage maximum participation and responsibility on the part of individual citizens, the economic and social well-being of the United States have progressed to a level unequalled in world history. The opportunities for personal advancement and the benefits of widespread prosperity, although far exceeding that available to the citizens of any other nation, are unavailable to some citizens of the United States because of their lack of education, lack of training in marketable skills, location in areas afflicted by long-term economic dislocation, or condition of dependency due to social conditions over which they have little control.

"It has always been the policy of the United States, implemented by numerous Acts of the Congress and of State and local governments, to foster a society in which every person who



is willing to work has the opportunity to live in decency and dignity. In order to more fully effectuate that policy, the Congress finds it necessary:

"(1) To review the scope, cost, and effectiveness of all existing programs presently maintained or assisted by the Federal Government to combat the causes and effects of poverty in the United States;

"(2) To examine into and analyze the underlying causes of poverty in the United States, including but not limited to the factors of mental and physical capability, industrial dislocation, geographical immobility, lack of proper education and training, and unemployment;

"(3) To define those areas of unmet community and individual needs to which new programs need be directed or established programs redirected to more effectively deal with the causes and effects of poverty in the United States;

"(4) To assess the most effective means of meeting the problems of poverty in a manner designed to accomplish the maximum degree of self-sufficiency and the minimum degree of dependency among our citizens; and

"(5) To recommend specific administrative and legislative action which should be taken by the Federal, State, and/or local governments in meeting their responsibilities to effectively overcome the causes and effects of poverty in the United States.

"Sec. 2. In order to carry out the objectives of this Act there is hereby established the National Human Resources Development Commission, hereinafter referred to as the "Commission".

"Sec. 3. The Commission shall be composed of eighteen members, twelve of whom shall be public members, appointed by the President, by and with the advice and consent of the Senate. The remaining six members shall be appointed as follows: Three, who shall be Members of the Senate, not more than two of whom shall be members of the same political party, shall be appointed by the President pro tempore of the Senate; three, who shall be Members of the House of Representatives, not more than two of whom shall be members of the same political party, shall be appointed by the Speaker of the House. The public members of the Commission shall be drawn from representative segments of the Nation such as industry, labor, education, manpower development and utilization, and related fields. One of such public members shall be designated by the President as Chairman of the Commission. Ten members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its power, but shall be filled in the same manner in which the original appointment was made.

"Sec. 4. The Commission shall make a comprehensive and impartial study and make recommendations from time to time as needed for constructive action in the areas designated in section 1 of this Act.

"Sec. 5. Public members of the Commission appointed from outside Government shall each receive \$100 per diem when engaged in the actual performance of duties of the Commission.

"Sec. 6. There is hereby established a Federal Interagency Committee consisting of the heads of the Departments of Agriculture, Labor, Commerce, Defense, Health, Education, and Welfare, Chairman of the Council of Economic Advisers, Administrator, Small Business Administration, Administrator, Housing and Home Finance Agency, and Director of Bureau of the Census, or their designees, to advise the Commission and to maintain effective liaison with the resources of such departments and agencies. The Secretary of Labor and the Secretary of Health, Education, and Welfare shall serve as Co-chairmen of the Committee.

"Sec. 7. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provision of the civil service laws and the Classification Act of 1949, as amended. In addition, the Commission may procure temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed \$75 per diem for individuals.

"(b) The Commission is authorized to appoint an executive secretary to oversee the work of the staff under the general direction of the Commission.

"Sec. 8. All members and other personnel of the Commission shall be reimbursed for travel, subsistence, and necessary expenses in accordance with law.

"Sec. 9. The Department of Health, Education, and Welfare shall provide the Commission necessary administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Commission and the Secretary of Labor.

"Sec. 10. The Commission, or on the authorization of the Commission, any subcommittee or panel thereof, may, for the purposes of carrying out its functions and duties, hold such hearings and sit and act at such times and places as the Commission or such subcommittee may deem advisable.

"Sec. 11. The Commission is authorized to negotiate and enter into contracts with private organizations to carry out such studies and to prepare such reports as the Commission determines to be necessary in order to carry out its duties.

"Sec. 12. The Commission is authorized to secure directly from any executive department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, and instrumentality is authorized and directed to cooperate with the Commission and, to the extent permitted by law, to furnish such information to the Commission, upon request made by the Chairman.

"Sec. 13. The Commission shall submit a final report of its findings and recommendations to the President and the Congress by June 30, 1965. The Commission shall cease to exist thirty days after submitting its final report.

"Sec. 14. There are hereby authorized to be appropriated to the Commission, out of any money in the Treasury not otherwise appropriated, such sums not in excess of \$1,500,000, as may be necessary to carry out the provisions of this Act."

Mr. AYRES (interrupting the reading of the substitute amendment). Mr. Chairman, my substitute is different from the one we have been discussing this afternoon. It is printed verbatim as the Clerk is reading it on page 17645 of the RECORD. In view of the fact it has been available for 3 days, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. O'HARA of Michigan. Reserving the right to object, Mr. Chairman, is this the amendment that is identical in sections 2, 4, 5, 7, 8, and 9 with the automation bill passed by this Congress a few days ago?

Mr. AYRES. No. This is H.R. 12040 as introduced on July 23 of this year.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. AYRES. Mr. Chairman, those of use who have attended the hearings for the last several months and have since reviewed the hearings and read the various bills which have been introduced in this field, and then have been here on the floor all afternoon listening to the confusion, I feel should show some interest if they have not shown it in the past in the idea that is incorporated in my amendment, establishing a National Human Resources Development Commission.

I hope before we reach a vote the Members of the committee will refer to page 17645 of the RECORD and read this short amendment in its entirety.

It has become very apparent that we in this committee are not at all aware of just what this legislation would do. This afternoon we heard a lot of conversation about the power of veto that was going to be given to Governors. This is contrary to what Mr. Adam Yarmolinsky has stated, and he is the man who is really running this show under Sargent Shriver. On page 17749 of the RECORD you will find a letter from Mr. Yarmolinsky directed to Mr. Joseph A. Califano, Jr., on June 13. It was inserted in the RECORD yesterday by the gentleman from California [Mr. ROOSEVELT]. He says:

I understand from Bob McNamara—

They are on a first-name basis—

that he has designated you as our personal contact in Defense to coordinate planning for the proposed Job Corps.

The memorandum reads further:

During the first year, we hope to open about 10 of the large training centers with 1,000 to 2,000 enrollees each. Here again—

Get this—

we would like to make a visible impact by opening perhaps half of these in the first 3 or 4 months after the bill passes.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield briefly?

Mr. AYRES. I yield.

Mr. GRIFFIN. Will the gentleman repeat something for me? Whom is this letter from that he is reading at the present time?

Mr. AYRES. This letter is from Mr. Adam Yarmolinsky who has been assigned from the Department of Defense to work at the White House under the direction of Sargent Shriver to get this bill passed.

Mr. GRIFFIN. I see. I thank the gentleman.

Mr. AYRES. He states further in the memorandum:

To keep you up to date on our present thinking, we anticipate the necessity of starting the Job Corps in a clearly visible way throughout the country during the early fall, assuming the passage of—

Not "the bill" but—

assuming the passage of our bill in the next month or so.



This memorandum is dated June 13, 1964.

Then they go on to say that selected States will be the ones they choose to re-activate these camps.

They go on to say that at first at least it will be military personnel handling them but eventually there will be one supervisor for each five enrollees in the camp.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman.

Mr. LANDRUM. With regard to the gentleman whose memorandum the gentleman from Ohio is reading from, what is his name?

Mr. AYRES. It is Adam Yarmolinsky, and many of the Members are familiar with his activities here recently.

Mr. LANDRUM. Regardless of who the gentleman is about whom the gentleman from Ohio is speaking, I should like as a member of the Committee on Education and Labor and as one who has devoted a great deal of time and effort to this bill to state, first, that so far as I am concerned this gentleman, Mr. Yarmolinsky, will have absolutely nothing to do with the program.

And second, I wish to state that I have been told on the highest authority that not only will he not be appointed, but that he will not be considered if he is recommended for a place in this agency.

Mr. AYRES. Mr. Yarmolinsky at the present time, as late as yesterday, was still maintaining his lobbying office at the White House and was still contacting Members of the House.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LANDRUM. Mr. Chairman, I ask unanimous consent that debate on the substitute amendment and all amendments to the substitute close at 6 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. FRELINGHUYSEN. Mr. Chairman, reserving the right to object, does the gentleman's request involve a limitation of time with respect to any other amendments which may be offered to the amendment offered by the gentleman from Georgia or to the substitute amendment that has been offered by the gentleman from Ohio [Mr. AYRES].

Mr. LANDRUM. Mr. Chairman, my unanimous-consent request is that debate on the amendment in the nature of a substitute offered by the gentleman from Georgia, and the substitute amendment offered by the gentleman from Ohio [Mr. AYRES] and all amendments thereto, close at 6 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. JOHANSEN. I object.

Mr. LANDRUM. Mr. Chairman, I move that all debate on the amendment in the nature of a substitute offered by the gentleman from Georgia and all amendments thereto close at 6:30 p.m.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia [Mr. LANDRUM].

Mr. JOHANSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROOSEVELT and Mr. JOHANSEN.

The committee divided, and the tellers reported that there were—ayes 163, noes 113.

So the motion was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Ohio.

Mr. FORD. Mr. Chairman, I believe that I have time and I would like to take the time on this amendment if possible.

The CHAIRMAN. On the substitute?

Mr. FORD. That is correct. On the Ayres substitute.

The CHAIRMAN. The gentleman from Michigan is recognized for approximately 2 minutes.

Mr. FORD. Mr. Chairman, I would like to refer to the Yarmolinsky memorandum to Mr. Joseph A. Califano, an Assistant Secretary of Defense. This memorandum is dated June 13, 1964, and was from the White House or on White House stationery where Mr. Yarmolinsky has been working to promote the poverty program. I would like to ask several questions of my friend and the chairman of the House Committee on Appropriations, the gentleman from Texas [Mr. MAHON]. In the Yarmolinsky memorandum to the Defense Department, by Mr. Yarmolinsky says, and I quote:

There may be, however, a need to call on Defense for provision of some initial issues of individual clothing and equipment, major real property items and some transportation assistance, unless we are able to get this quickly through GSA.

Later on in this memorandum from Mr. Yarmolinsky to the Department of Defense the memorandum says, and I quote:

I realize that to give us the major logistical support we have contemplated may require initially the commitment of Defense resources and active military personnel to some extent.

I would like to ask the distinguished gentleman from Texas [Mr. MAHON] whether under existing appropriations for the Defense Department this kind of support can be given to this program.

Apparently, no definite answer has been received, as yet, from the Defense Department officials. Later in the debate on this ill-conceived and poorly drafted bill I will ask the same questions of the gentleman from Texas.

However, as I understand it myself, no Defense Department personnel or equipment is legally, and I emphasize legally, available for the purposes of this so-called poverty program. Furthermore, with all the bellyaching that we get from the Defense Department about the inadequacy of their maintenance and operation funds they should not have the right to make equipment, supplies, and personnel available.

Mr. FRELINGHUYSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FRELINGHUYSEN. I am not sure under what procedure we are operating. The gentleman from Michigan [Mr. FORD] has just now received 5 minutes to talk on the Ayres substitute, as I understand it.

The CHAIRMAN. The gentleman from Michigan received the time allotted under this limitation of time, which is approximately 2 minutes.

Mr. FRELINGHUYSEN. How many Members will be recognized and how much time?

The CHAIRMAN. There are approximately 33 names on the list and the time allotted to each will be approximately 2 minutes.

Mr. O'HARA of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the situation is that the gentleman from Georgia [Mr. LANDRUM] has offered an amendment in the nature of a substitute, and my friend from Ohio [Mr. AYRES] has offered an amendment in the nature of an Automation Commission bill. I have carefully examined the amendment of the gentleman from Ohio [Mr. AYRES], which is his bill, H.R. 12040, and I find that in six of its nine sections it is an identical copy of the Automation Commission bill which passed this House a few weeks ago. The only differences between the bills are that his has a different preamble and a little different membership on the committees established under the bill. As a matter of fact, the boilerplate artist on the staff that put this one together forgot to make a necessary change. While the Ayres bill provides administrative services by the Department of Health, Education, and Welfare instead of the Department of Labor, somebody forgot to change the direction on who gets the funds for administration. Under the proposal of the gentleman from Ohio [Mr. AYRES], we have HEW administering the program and the Labor Department getting the money for doing so.

Mr. Chairman, it is a fine bill as an Automation Commission bill but it is not much of a bill as an attack on poverty.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words.

The CHAIRMAN. The gentleman from Michigan is recognized for approximately 2 minutes.

(Mr. JOHANSEN asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Chairman, on yesterday I raised some questions as to why Public Law 801 had not been adhered to by the executive branch providing information as to the number of additional personnel, number of man-hours and the payroll cost required under this legislation.

Mr. Chairman, the gentleman from California [Mr. ROOSEVELT] suggested on the RECORD later that he would respond to my inquiry today.

However, under the limitations that we face here I cannot yield to the gentleman from California for that purpose. He has 2 minutes of his own time in which to respond, if he cares to do so.



Mr. Chairman, I wish simply to point out for the RECORD this statement which is from the committee report when Public Law 801 was enacted in 1956:

The purpose of this legislation is to assure that each congressional committee is adequately informed as to the cost and manpower implications of major substantive legislation at the time such legislation is being considered—

And the further statement that:

Committees and the House are entitled to such information.

Mr. Chairman, I must observe, in view of the sorry performance here this afternoon, that the majority of this House apparently is not interested in information on any aspect of this measure. So, I should not be too surprised at the contempt in which the law is held by Czar Sargent Shriver and the promoters of the arm twisting in this operation.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Chair recognizes the gentlewoman from Oregon [Mrs. GREEN].

(Mrs. GREEN of Oregon asked and was given permission to revise and extend her remarks.)

AMENDMENT OFFERED BY MRS. GREEN OF OREGON

Mrs. GREEN of Oregon. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon to the amendment offered by Mr. LANDRUM: Section 202(a)(4), page 22, line 22, after the word "thereof" strike out the comma and insert a period and strike out the remainder of the paragraph.

Mrs. GREEN of Oregon. Mr. Chairman, the language which would be deleted from this bill, if my amendment is adopted, is language which the House Committee on Education and Labor deleted from the original bill when we were considering this legislation.

Mr. Chairman, the committee had no intention of having any comprehensive communitywide program as a prerequisite to granting Federal assistance to an independent private agency or a public agency, if such agency had a program designed to alleviate poverty or to strike at the roots of poverty.

Mr. LANDRUM. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I would be happy to yield to the gentleman from Georgia.

Mr. LANDRUM. I have examined the amendment and I agree with the gentlewoman that it was debated and discussed in the Committee on Education and Labor. I think it is a good amendment and so far as I am concerned it is an acceptable amendment. Also, so far as I have been able to ascertain from Members of the committee on this side it is acceptable to them.

Mrs. GREEN of Oregon. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon [Mrs. GREEN] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The amendment to the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. WHITENER].

(Mr. WHITENER asked and was given permission to revise and extend his remarks.)

AMENDMENT OFFERED BY MR. WHITENER

Mr. WHITENER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITENER to the amendment offered by Mr. LANDRUM: At the end of section 209 insert the following: "(d) No private institution or organization shall be eligible for participation under this part unless it (1) is itself an institution or organization which has, prior to its consideration for such participation, had a concern with problems of poverty, or (2) is sponsored by one or more such institutions or organizations or by a public agency, or (3) is an institution of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963)."

Mr. WHITENER. Mr. Chairman, this is a very simple amendment which would prevent any drumhead organization, so to speak, springing up for the sole purpose of enriching itself under the community action program section of this legislation.

Mr. Chairman, the language is very clear.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Georgia.

Mr. LANDRUM. The amendment which the gentleman from North Carolina offers is acceptable to the members of the Committee on Education and Labor on this side of the aisle. It is acceptable to me.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I regret I have not seen the amendment, so there is no possibility of my making a statement as to the position of the minority members.

Mr. WHITENER. The gentleman from Michigan [Mr. GRIFFIN] has about 10 copies which were furnished him.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I have just received a copy of the amendment, and it refers to "an organization which has, prior to its consideration for participation, had a concern with problems of poverty." I wonder if the gentleman would tell us whether the NAACP, or the Americans for Democratic Action, which have a concern for poverty, would be included? This amendment would not eliminate those groups, would it?

Mr. WHITENER. The gentleman may have a closer liaison with those organizations than I have had. I do not know about their previous activity or inactivity in the poverty field. It is certainly not my intention to make them eligible to participate in the community action program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. TAFT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAFT to the amendment offered by Mr. LANDRUM: On page 29, line 10, strike out subsection (c) of section 209.

Mr. TAFT. Mr. Chairman, the effect of this amendment would be to eliminate the Governors' veto power. I believe it should be eliminated. Those who thought they got something out of the amendment when it was put in the bill as a concession to them can take note of the fact that they have bought a wooden nickel.

As I made the point on the floor yesterday, the reservation in section 209(c) of the Landrum substitute of the veto power in the Governor of any State under any program under title I or title II might be meaningless and void if in illegal conflict of the constitution and laws of the States in question.

Since that time I have had an opportunity to consider further on this point. After doing so, I can say that, while the question is one on which there is little authority, general principles of constitutional law involved sustain the principle that even if a Governor wished to veto a proposed plan for his State, he would not have the power to do so without action by his State legislature and perhaps not even then. The State constitutions in almost every case give only executive power to the Governor, legislative power to the legislator, and reserve the balance of power to the people. An action in Quo Warranto could successfully be brought against any veto action of a Governor made without legislative approval, or a constitutional amendment.

Moreover, regardless of the power of the Governor under State law, the veto power attempted to be granted under section 209(c) is void under the Federal Constitution. The poverty aid bill grants to a Governor of a State the sole and exclusive power to determine whether the people of the State might benefit from the appropriation of Federal funds to relieve poverty and to overcome social deprivation. The Governor is granted sole discretion over the matter without any standards or guidelines. If he wishes to do so, a Governor may act in an arbitrary and capricious manner even in violation of the 5th and 14th amendments of the Constitution by taking veto action that discriminates on account of race or otherwise. The Governor is granted the sole discretionary authority to deny to private agencies, as well as to State and local public agencies, the right to participate in the benefits of the proposed law. This authority amounts to an unconstitutional delegation of legislative authority. In effect, the Congress is abdicating, or transferring, to another the essential functions with which it is vested by the Constitution.

Congress may leave to others the power to make subordinate rules and regula-



tions within prescribed limits and the determination of fact consistent with Congress declared policies. But the Congress may not lodge unfettered discretion in another.

The declaration of policy laid down in the bill is clear. It is to "eliminate the paradox of poverty in the midst of plenty in this Nation but open to everyone the opportunity for education" and so forth. Yet, the unlimited and open-end power granted by Congress to a Governor under this section would permit the Governor totally to ignore and frustrate this determination of policy without any reasons, rationale, or justification.

Thus, the bill would permit an individual with delegated authority not only to defy the will of Congress, but to possess sole power to himself to determine the class, or classes, of persons to be included within the legislation. This is a delegation of legislative authority and not merely rulemaking power. I cite the following cases: *Panama Refining Co. v. Ryan*, 293 U.S. 388; *Schechter Corp. v. U.S.*, 295 U.S. 495; *Franklin Township v. Tugwell*, 85 Federal 2d 208; *U.S. Sugar Equalization Board v. P. deRonde Co.*, 7 Federal 2d 981.

Mr. RYAN of New York. Mr. Chairman, yesterday when I spoke in support of H.R. 11377, I expressed my dissatisfaction with the contemplated amendments to give State Governors a veto.

Under the Landrum substitute State Governors will have a veto power over the establishment of conservation camps or training centers under title I, and under title II a veto over community action programs—both private and public.

This is inconsistent with the purpose of the bill to deal with a national problem on a national basis. To interpose a State Governor would make the success of the war on poverty dependent upon the cooperation of rural legislatures to whom they are ultimately responsible.

The urban renewal program has been carried on for years without requiring the approval of State Governors. To have relied on rural legislatures would have been ludicrous.

But this is worse. Not only are certain State authorities hostile to the concept of the bill, but they are adamantly opposed to providing equality of opportunity to all of their citizens. In some States their purpose is to hold the Negro people in economic bondage.

It is clear that in Mississippi, for instance, the poverty program will not be allowed to operate if this veto power is included.

In 1963 in Le Flore County, Miss., the distribution of Federal surplus food was cut off by local veto. There the average income for Negroes is \$300 a year. The previous year 26,000 people, 90 percent of them Negroes, had received vitally needed surplus food. If local authorities are callous enough to let people starve, is it logical to assume they will encourage education and training programs to raise living standards?

There are no manpower development and training projects in Mississippi be-

cause there would be a ban on discrimination.

Louisiana has refused to sign an agreement with the Federal Government for projects under the Manpower Development and Training Act.

Unfortunately, in many of the very areas where the need of Federal assistance is greatest, State and local authorities are hostile to this program. This bill is intended to reach those whom local and State governments have either been unable or unwilling to help.

If a Governor is opposed to integrated programs or fears their success, then the most poverty stricken, the most needy will be denied an opportunity for hope.

This bill contemplates a coordinated assault on poverty through the Office of Economic Opportunity in an effort to solve a national problem which local governments have not solved.

For those who are sincerely concerned with the question of States rights, and are not using it as an excuse to defeat the program, H.R. 11377 in title II looks to State participation.

The Director shall establish procedures which will facilitate effective participation by the States in community action programs.

The bill neither bypasses nor ignores the States as a source of valuable resources. In fact, one of the important features of the bill is the involvement of local communities. The community action part is a self-help program.

But under the proposed amendments the Governor can veto a local community's effort to mobilize its own human and material resources. This is not reliance on responsible local action—it is obstruction.

Let us not let a false cry of States rights strangle the opportunities which this bill offers for this and future generations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TAFT] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

Mr. BELL. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TAFT and Mr. ROOSEVELT.

The Committee divided, and the tellers reported that there were—ayes 73, noes 125.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SAYLOR].

AMENDMENT OFFERED BY MR. SAYLOR

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR to the amendment offered by Mr. LANDRUM: On page 10, of the substitute bill, after line 16, insert a new section to read, as follows:

"SEC. 110. Within the Job Corps there is authorized a Youth Conservation Corps in which at any one time no less than 40 percent of the enrollees under this part shall be assigned to camps where their work activity is directed primarily toward conserving, developing, and managing the public natural resources of the Nation, and developing, managing, and protecting public recreational areas. Such work activity shall

be performed under the direction of members of agencies charged with the responsibility of conserving, developing, and managing the public natural resources and of developing, managing, and protecting public recreational areas."

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, the amendment is acceptable on this side of the aisle.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I am not going to say a great deal except to call the attention of the House to the procedure that is being followed where amendments that Members on this side of the aisle have never seen are being accepted by the chairman of the committee on a substitute which contains amendments that no one has seen. This is a demonstration of about as poor a procedure in writing good legislation that affects the welfare of the people of this country as I have ever seen. I would say this. That those who are really concerned about the poor people had best get back to a deliberate process to try to find out how is the best way to proceed to help them.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I regret that there is no time available to me so that I can even take a position on this amendment except through the kindness of the gentleman from Missouri yielding to me. I did see the language proposed, but there is no way to evaluate it or compare it with the language relating to the Job Corps already in the bill regarding conservation. I am unable to take a position on this proposal. It is very unwise for us to legislate in this fashion.

Mr. CURTIS. I would plead with the House when the appropriate time comes that this entire bill be recommitted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HARSHA].

Mr. HARSHA. Mr. Chairman, the war on poverty is nothing more than a war on the ballot box. It is politically motivated to buy votes and provides no real solution to eradicate the problem of poverty. It is an emotional appeal to those less fortunate, designed to arouse great expectations that the Federal Government will take them under its wing and nurture them back to prosperity.

Yet the bill contains no substance through which such hopes may be realized. It carries an authorization of almost \$1 billion which, if divided among all those persons whom the administration defines as poverty stricken, would amount to less than \$28 per person per year. Hardly enough to raise them from the doldrums of poverty. To hold such a bill out as being truly designed to pro-



vide a utopia for the poor and underprivileged is nothing less than political chicanery. It is designed to delude and mislead those less fortunate in an effort to win votes.

As proof of the fact that this administration is more interested in empire building than the welfare of these unfortunate people, I have been warned that if I do not support the administration's poverty bill, a job training center now being considered for southeastern Ohio will not be constructed. This is not only a cold, calculated effort to pressure me, but a cruel blackjack against citizens of Ohio.

If this section of the poverty bill will do all the administration claims, and there is a need for it in southeastern Ohio, then the welfare of the people there should be the determining factor, not the vote of a particular Member of this House.

It should not be held out as political bait to gain support in Congress. If this center hinges on my vote, then this is proof positive that this administration is not sincerely interested in the welfare of the citizens but, rather, in empire building and controlling the votes of Congress.

It demonstrates without question that little attention is being paid to careful, constructive methods of eradicating poverty, and that extreme measures are being used in a calloused effort to influence Members of Congress and delude the less fortunate in a raid on the ballot box.

Mr. Chairman, the citizens of the Sixth District of Ohio expect me to exercise my judgment on legislation free and clear of any outside pressures. They expect me to vote for or against legislation based upon its merits and need or lack thereof, not on the basis of some political plum and I fully intend to do just that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The amendment to the amendment was agreed to.

Mr. AYRES. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Michigan [Mr. FORD].

Mr. FORD. I should like to ask the chairman of the Committee on Appropriations the questions I asked earlier.

In the Yarmolinsky letter from the White House to the Defense Department it is stated:

I realize that to give us the major logistical support we have contemplated may require initially the commitment of Defense resources and active military personnel to some extent.

Is such action authorized under the existing Defense Department Appropriation Act?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Texas.

Mr. MAHON. I had stepped from the floor to confer over the telephone with Defense Department officials at the time earlier in the afternoon when this question was raised. I have not had an opportunity to talk with the appropriate officials who have detailed knowledge of the situation.

I believe that the Department of Defense could, on a reimbursable basis, perform certain functions. I am not completely clear at this time as to exactly what functions need to be performed.

Mr. FORD. There is nothing in the Appropriation Act which authorizes this, however?

Mr. MAHON. The gentleman is correct.

With respect to bases and the use of bases, studies could be made as to their needed utilization for defense purposes or whether they should be transferred for other uses.

I shall go into this matter thoroughly. I have taken initial steps to get the facts.

I wish to cooperate in seeing to it that no funds provided in the Defense Department Appropriation Act are used for purposes other than the purposes for which appropriated. That is only in compliance with law.

Mr. FORD. In other words, the gentleman from Texas is opposed to military personnel and military supplies being given to this program from the Defense Department stocks or personnel?

Mr. MAHON. Unless appropriate authorization is in existing law or is enacted into law.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I would like to move to strike out the last word, and I may not have to offer my amendment.

The CHAIRMAN. The gentleman is recognized for 2 minutes.

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

Mr. HARDY. On page 19 of this so-called committee print—I believe it is the first paragraph—referring to agreements which may be entered into for work study activities, there is a proviso which reads:

*Provided, however, That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship.*

I am not quite sure just what the words "of so much" mean, and if the gentleman from Georgia will enlighten me on that, I will be grateful to him.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman.

Mr. LANDRUM. To me it has this meaning. I would say at the outset, however, that the word "solely" was put in by the House committee, but the words "so much of" or "of so much of" means this to me, that no money, no funds, ap-

propriated under authority of this act can be used for the construction, operation, or maintenance of any building that is to be used for sectarian instruction or religious worship.

If the gentleman will permit me to go further, I would like to address that question to the gentleman from New York, [Mr. CAREY].

Mr. HARDY. I would, but I hope I have time to offer the amendment if the answer is not satisfactory.

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from New York.

Mr. CAREY. I have 2 minutes, and I will allocate that time to the gentleman, if I may, if he does not get a satisfactory answer.

I might point out that this is similar or identical language to that which was contained in the Health, Education, Professions Act and the Higher Education Act which passed the 88th Congress. It has a specific purpose.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The gentleman from New York is recognized for 2 minutes.

Mr. CAREY. This amendment is similar to that language which the gentleman from Georgia, my colleague, just explained. It is a limitation that prohibits funds going for the religious purpose of the institution. However, it is specific in that in a case where you have a hospital, let us say, as we have in New York City, in many cases with a chapel to be used for all faiths, it will not prevent the funds going to the hospital.

Mr. HARDY. It would not prevent that, but would it prevent it from going to the chapel?

Mr. CAREY. That is correct.

Mr. HARDY. Would it prevent the funds from being used in the building, operation, or maintenance of any facility if it is used for sectarian purposes?

Mr. CAREY. By "sectarian purposes" meaning religious sectarian?

Mr. HARDY. That is correct.

Mr. CAREY. That is correct.

Mr. HARDY. It would prevent any of these funds from being used to construct, operate, or maintain any part of a religious-connected facility if that part of it is used for sectarian purposes?

Mr. CAREY. If that portion of it is used for sectarian religious purposes.

Mr. HARDY. Thank you very much.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. CAREY. I yield to the gentleman.

Mr. GOODELL. It should be clarified, however, this language, which is good language, applies only to titles I-B and I-C. There is no prohibition on any of the other activities covered under this act, whether title II or any other section of the bill.

Mr. CAREY. I want to comment the language offered in titles I and II was suggested by the junior Senator from Arizona to those two titles. He did



not feel it was necessary to add the other titles, evidently.

Mr. HARDY. Will the gentleman yield further?

Mr. CAREY. I yield.

Mr. HARDY. Mr. Chairman, I am glad to have this clarification. Actually, I think it would be better if we eliminated entirely the use of these funds in connection with any facility used for sectarian instruction or for religious worship. I do hope that none of the funds will find their way into sectarian religious usage.

Mr. Chairman, I have had many qualms about this legislation. The policy which it seeks to put into effect is a good one, and certainly, if we can find a way to utilize productively manpower which is now idle, so much of which is devoted to the erosion of our society rather than to its upbuilding, we should do so. Idle hands truly find an outlet for their energies in workshops of the devil. And I agree that this country certainly has the ability to use constructively the energies of our unemployed.

The problem that I have with the bill before us has to do with the practical means which it seeks to employ to accomplish desirable and much needed objectives. The original bill disturbed me greatly. I could not have supported it in the form reported by the committee.

The Committee amendment does provide many improvements, although I think others are needed.

I hope the Committee will keep a close and watchful eye on the operation of this bill. If weaknesses are observed or if the administration of it shows defects, I hope action will be promptly initiated to bring about legislative corrections.

I am particularly glad that the veto power of the Governor is broad with respect to both titles 1 and 2. This will provide opportunity for the governing bodies of communities to make their judgments felt through the chief executives of their respective States.

There has been improvement with respect to participation by private non-profit organizations and in other areas, such as the use of funds by sectarian religious organizations, which we have just been discussing.

The parliamentary situation under which we are operating is most unfortunate. The amendment is actually a new bill. It embodies amendments to practically every section of the bill reported by the committee and actually deletes some. That is to the good. But I do wish the procedural situation would permit discussion and amendment to the pending Committee amendment on a section-by-section basis. I am sure we could do a much better legislative job than we are now doing.

This amendment is much better than the original bill, and I do hope that in its final form it will accomplish the noble objectives so eloquently stated at the beginning of the debate by the gentleman from Georgia [Mr. LANDRUM].

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. NELSEN].

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

AMENDMENT OFFERED BY MR. NELSEN

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN to the amendment offered by Mr. LANDRUM: On page 9, line 17, in section 107, subsection (b), after the period insert the following: "Any officer, employee, enrollee, or Federal employee who solicits funds for political purposes from members of the Corps, shall be in violation of the Corrupt Practices Act."

Mr. NELSEN. Mr. Chairman, under the terms of this bill an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment. It further states:

No officer, employee, or enrollee of the Corps shall take any active part in political management or in political campaigns.

The language is however not inclusive enough to prohibit solicitation of funds for political purposes as I interpret it.

During this session of Congress and previous sessions of Congress I have had a parade of people from the Rural Electrification Administration complaining about arm twisting and solicitation of political funds. The Hatch Act has been violated and the Corrupt Practices Act has been violated. At the present time an investigation is being conducted by the Civil Service Commission. I feel there should be a protection in this bill for the Corps.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. Yes. I yield to the gentleman.

Mr. LANDRUM. I want to be sure I understand the amendment. Is it to provide that there shall be no solicitation among the officers or employees of this particular agency?

Mr. NELSEN. Right.

Mr. LANDRUM. Or among the enrollees?

Mr. NELSEN. Right.

Mr. LANDRUM. I see no harm in that.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. FRELINGHUYSEN. Mr. Chairman, I do not see how it is possible for us to have a full understanding of any amendment under the conditions under which we are operating. I imagine the amendment offered makes sense, I am certainly not objecting, but I do think we are operating under completely impossible conditions.

Mr. NELSEN. I thoroughly agree with the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NELSEN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HAGEN OF CALIFORNIA

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN] to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN of California to the amendment offered by Mr. LANDRUM:

Page 44, line 10: In the title of part B of title III of the substitute after the word "migrant", insert ", and other seasonally employed,".

Further amend section 311 of the substitute as follows: After the word "migrant", insert ", and other seasonally employed,".

(Mr. HAGEN of California asked and was given permission to revise and extend his remarks.)

Mr. HAGEN of California. Mr. Chairman, I yield to the gentleman from Illinois [Mr. GRAY] for a unanimous-consent request.

Mr. GRAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

Mr. Chairman, I deeply appreciate the gentleman yielding to me for a few brief remarks concerning this important measure. I had hoped to have more time to tell of practical experiences in dealing with Government programs in southern Illinois, particularly, the old Civilian Conservation Corps. However, under the parliamentary situation we are limited severely in debate.

Mr. Chairman, I want to plead with all of my colleagues to approve this program because, to do otherwise is blindly turning our heads away from the needs of our people and, particularly, the true heartbeat of America, the youth of tomorrow.

The job training corps, the retraining program, the work-study programs, the assistance to State and local communities, matching funds, urban and rural community action programs and other new endeavors provided in this bill will without question be a giant step forward in our efforts to stamp out poverty.

When I came to Congress almost 10 years ago we had over 30,000 unemployed in my congressional district. Today we have less than 20,000, largely because of Government-assisted programs. We are developing our God-given national resources with tools provided by a sympathetic Congress and administration. Anyone who doubts this statement is invited to accompany me to southern Illinois and see this economic resurgence. The bill under consideration will have far-reaching effects in accelerating our best efforts. We have been particularly lacking in programs to aid the youth. For this reason the 1960 census shows that the elderly population of persons 65 years of age and over, is more than double the national average in southern Illinois. This is true because the young people have been forced to leave while the older folks remain on social security pensions and other means of subsistence.

Let us now fill the gap and develop our resources for the young as well as the middle-aged and older persons.

In closing I would like to ask the opponents of this bill to reconsider their opposition because they are not only damaging the hopes of our present-day youth but for generations yet unborn.

Mr. Chairman, the question is not, "Can we afford this antipoverty pro-



gram?" But instead the question is, "Can we afford not to have the program?"

Thank you very much.

Mr. HAGEN of California. Mr. Chairman, this amendment clarifies part B of title III which provides for a program of assistance to farm laborers so that it will be broad enough to include all farm laborers whether or not they move their families around with them as they seek jobs in the harvest. That is the purpose of this amendment.

I have discussed this with the gentleman from California [Mr. ROOSEVELT], the gentleman from Georgia [Mr. LANDRUM], and the gentleman from New York [Mr. GOODELL]. I am satisfied that it is acceptable on the Democratic side and that the purpose of it is acceptable to the gentleman from New York [Mr. GOODELL], although he may quibble with the language.

In the San Juan area many farm laborers, who are disadvantaged, have through their initiative or through living in publicly owned camps, established permanent residence. The residents are not migratory, although they migrate as workers to their jobs. My amendment would clearly make them eligible for all of the programs in title III. In my area there are many such people who could immediately use Government assistance in either improving their homes or building their own homes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. ROOSEVELT. As the author of this section I simply want to say that this is a good clarifying amendment. It is, of course, understood, however, that the gentleman is referring to heads of families, so that we would have to consider it in that context.

Mr. HAGEN of California. That is correct. The gentleman from New York [Mr. GOODELL], expressed the fear that this amendment might make eligible some housewife who worked part time in the harvest. That is not my intention. I want to make that clear. I want to make this program available to family heads who may not necessarily take their families with them when they seek jobs, but who do in effect migrate to the job themselves.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from New York.

Mr. GOODELL. Mr. Chairman, my concern is that the people whom the gentleman wants to cover probably should be covered under this bill. We would like to achieve that objective. But the language means in effect that any agricultural worker who is on a seasonal basis can be covered under this amendment; a migrant laborer may be a permanent resident of an area and he works in an agricultural seasonal activity. He would be covered as a migrant worker, in effect. So that this is wide open. I think we could devise language, perhaps, that would cover the gentleman's purpose without opening the whole thing up.

Mr. HAGEN of California. The intention is to cover heads of families who are full-time agricultural employees.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I have two amendments at the desk and I ask unanimous consent that I may offer them and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS to the amendment offered by Mr. LANDRUM: On page 5, following line 14, add the following:

"(d) Each enrollee must execute and file with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods, and

"(2) Each enrollee must take and subscribe to an oath or affirmation in the following form:

"I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic."

The provisions of section 1001, title XVIII, United States Code, shall be applicable with respect to such affidavits.

And on page 65 after line 25, add a new section 616:

"No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments to any individual unless such individual has executed and filed with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods."

Mr. WILLIAMS. Mr. Chairman, I believe these amendments speak for themselves.

Mr. Chairman, there are precedents for these amendments. They were drafted in line with the language that is presently contained in the National Science Foundation Act.

The purpose of these amendments is obvious. They are designed to obviate insofar as possible Communist and other subversive infiltration of these camps that we will set up if this legislation is approved.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I will yield.

Mr. ROOSEVELT. I want to very briefly say that I think the first part of the amendment we might be able to accept.

The second part of the amendment, I believe the gentleman realizes we are asking a young person with no education, with all kinds of problems, to make up his mind and swear that he knows about the constitutionality and all of the

phrases which the gentleman uses. I think it is impractical.

Mr. WILLIAMS. I can see nothing to be lost by letting this safeguard go into the bill.

Mr. Chairman, I believe this language should go into the bill, and I hope these amendments will be accepted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 80 noes 81.

Mr. WILLIAMS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WILLIAMS and Mr. LANDRUM.

The Committee again divided, and the tellers reported there were—ayes 144, noes 112.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. RANDALL

Mr. RANDALL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. RANDALL to the amendment offered by Mr. LANDRUM: On page 30, line 13, at the conclusion of section 210 after subsection (5) strike out "and", and after the word "service" at the end of subsection (6) insert "and (7) persons living in urban places compared to the number living in rural places as determined by the Bureau of the Census for the 1960 Census (reference, 1960 Census, U.S. Summary, vol. I, pt. 1, p. XVIII)."

Mr. RANDALL. Mr. Chairman, this is a very simple amendment. I hope it will have equal usefulness.

There are six criteria listed in section 210 as guideposts for the Director of the Office of Economic Opportunity in distributing assistance in a State between urban and rural areas. In most urban areas private agencies are already organized and ready to start upon these programs. That is not true in the rural areas. My amendment is simply an effort to set up a definition of what is urban and what is rural. According to the census of 1960, those areas with a population under 2,500 were classified as rural and those over 2,500 as urban.

The six criteria, as listed in section 210, could or might lead to one of several interpretations as to the distinction between urban and rural areas. My amendment would define the distinction between urban and rural so clearly that the Director of the Office of Economic Opportunity would be given an additional guideline as to the allocation of funds for community action programs. If my amendment is adopted, the Director will still be able to fix precise numerical levels in each of the six categories of section 210, but the seventh criteria provided by my amendment should improve the balance between the distribution of assistance between urban and rural areas.



The intent of my amendment is to separate or divide urban from rural areas in the manner provided by the 1960 census in volume I, part I, at page XVIII. Simply summarized, the urban area of a State includes all persons living in urbanized areas or in places of 2,500 inhabitants or more, whether incorporated or unincorporated. Those areas not classified as urban shall constitute rural areas.

In New York it is said that 14.6 percent of the population live in rural areas but in Missouri about 33 percent of our population is rural. Each State has a different ratio of urban to rural. If this amendment is not adopted it is possible the percentage of people classified as rural could be established in such a way as to give unfair advantage to urban areas if only the other six criteria are followed. This aid should be more fairly distributed if the proposed amendment is adopted.

My amendment does not tie the Director's hands. He is not bound to follow the 1960 census percentage in its exact percentage point. The Director still has the other six criteria. But this amendment provides additional insurance that rural people will have an opportunity to participate under title II. Our rural areas need community action programs just as much as the cities.

One of the strongest arguments for this amendment is that when the programs created by this bill are started, the rural areas will be at a definite disadvantage. Upon a little reflection, the reason should seem clear. In our cities there is an abundance of public and private organizations already set up and staffed and ready to apply for funds made available under title II. The urban areas have had public and private organizations adaptable to these programs for many years. The same is not true in our rural areas. Organizations would have to be set up before funds could be applied for or allocated. It will take time even for public agencies such as the counties to get ready for these programs. Private organizations will have to develop a staff of personnel that can use these funds wisely and well. This will take time. If there is not some provision in the bill which will in some way guarantee a proportionate share of these funds to the rural areas, the loss of time suffered by the rural areas may be great enough to allow the cities to absorb all available funds to the exclusion of the rural areas.

I urge the adoption of this amendment for the reason that it will give the rural sections of our country a chance to organize public and private organizations for equitable participation in this program.

Mr. Chairman, I would hope that the members of the committee on both sides of the aisle would accept this amendment. It is a sincere attempt to make this a better bill. It will improve the bill and I am certain that it will result in fairer legislation and more equal distribution of funds under title II, if adopted.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from California.

Mr. ROOSEVELT. The gentleman from Georgia [Mr. LANDRUM] and I believe that this is a good additional requirement and we accept the amendment.

Mr. RANDALL. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. RANDALL] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The amendment to the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. GUBSER].

#### AMENDMENT OFFERED BY MR. GUBSER

Mr. GUBSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GUBSER to the amendment offered by Mr. LANDRUM:

Page 4, line 17, after section 103, insert a new paragraph (f) as follows:

"And he is directed to provide a nonsectarian and noncompulsory program of religious instruction and worship for all enrollees."

(Mr. GUBSER asked and was given permission to revise and extend his remarks.)

Mr. GUBSER. Mr. Chairman, on the dozens of occasions each year when each of us salutes the flag of the United States of America, I am confident none of us is silent when we reach the words which describe our country as "one nation under God." And as each of you look at the words inscribed above the Speaker's chair in this Chamber, there is no doubt that this is a Nation that trusts in God. If you visit the U.S. Military Academy and the U.S. Naval Academy, and the U.S. Air Force Academy, you will find that religious instruction is offered and that all of our future officers in the Army and Navy and Air Force are requested and urged to participate in that religious instruction.

The instruction provided for in my amendment is not at all compulsory. It will be nonsectarian. It is completely in keeping with the traditions of our three military academies.

If it is the purpose of this program to prepare people for the responsibilities of citizenship, you cannot deny that religion is a part of teaching citizenship that has been traditional since the country first began.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman.

Mr. JOHANSEN. Of course, I fully understand the motives and purpose of the gentleman, but I have great reluctance in contemplating Sargent Shriver as my Sunday school teacher.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. GUBSER] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

Mr. GUBSER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. GUBSER and Mr. ROOSEVELT as tellers.

The Committee divided, and the tellers reported that there were—ayes 96, noes 130.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. FRELINGHUYSEN].

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Chairman, I think this is an unconscionable power play we have been witnessing. I have time only to say that I am going to offer a motion to recommit. The motion will contain my bill H.R. 11050, which I submitted over 3 months ago. There is a description of this bill starting on page 93 of the committee report. It would not establish a new and unnecessary Federal agency but would make \$500 million over each of the next 3 years to be distributed among 50 States. I consider this bill a major alternative. It will provide needed money in areas and in ways in which it should be made available. The States will develop plans and set priorities for programs needed in their States.

The CHAIRMAN. The time of the gentleman has expired.

The chair recognizes the gentleman from California [Mr. ROOSEVELT].

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Chairman, I would like to ask the gentleman from Michigan [Mr. GRIFFIN] a question, and I will put the answer in at this point.

Mr. Chairman, section 406 added in the other body is an excellent amendment and so that there may be further clarification I want to add some legislative history. There can be no question that no provision in the act shall be deemed to authorize the use of Federal funds for grants, loans, or financial assistance of any kind first, for projects or facilities in highly mobile, intensely competitive industries in which substantial unemployment and unused plant capacity exist; second, for projects or facilities which utilize industrial homework in their operation; and third, for training programs for industries in which labor turnover is high and in which the prior possession of a specific skill or training is not typically a prerequisite for obtaining employment. The apparel industry may be cited as a case in point. The majority of the committee have always intended this to be as obviously does the other body. I feel confident the overwhelming desires of the Congress will be strictly adhered to.

With respect to the query of the gentleman from Michigan, made earlier, I am informed that the position of the executive branch is that Public Law 801, 84th Congress, is not applicable because their bill calls for a new agency limited to a 1-year existence unless renewed by July 1, 1965.



Secondly it is held that this bill calls for no additional expansion or expense to any existing department, agency, or independent establishment of the executive branch and, therefore, the provisions of Section 11(a) are not applicable. I would say to the gentleman if this is not the proper interpretation he should review the existing language of the law.

Mr. DONOHUE. Mr. Chairman, the vicious social and economic cycle that has been projected and threatens to be perpetuated by the combined problem of poverty and unemployment is very probably the most stirring challenge our generation faces and upon which this body has the awesome duty to legislate.

The chance for us to do something about this problem is before us now in the form of this measure, H.R. 11377, designed to mobilize the human and financial resources of the Nation to combat poverty in the United States.

The various provisions of this measure have already been carefully, technically, and exhaustively explained to this House by the managers of the bill.

In summary and in substance this bill projects programs that will enlarge opportunities for our youth to obtain the basic education, skills and experience they must have to take a proper place in our society and become responsible parents in the future; that will inspire our communities to create appropriate measures to eliminate the evil roots of poverty at the local level; that will provide a better base for the revitalization of poorer areas in our great metropolitan cities by expanding small business activities; that will assist destitute rural families in achieving improved living standards through the extension of capital grants and loans; that will project selective projects to benefit undereducated adults and migratory agricultural workers; that will motivate more States to utilize public assistance as a means to help families help themselves to throw off the discouragements of poverty and that will recruit and train volunteers to carry out the war on poverty that I hope we will declare this afternoon.

Mr. Chairman, let us solemnly reflect upon the unquestioned fact that in this land of plenty we have some 35 million American citizens living in poverty.

To those who would question the costs of this program we must ask them to consider the most of not adopting this program, in terms of direct public assistance payments alone, which amount to \$4 billion per year. In addition to these direct payments, the indirect costs of poverty to this country which show up in juvenile delinquency, crime, health hazards, and higher police and fire protection costs, totals billions more.

To those who would fear the possibility of Federal intervention in local affairs let us unite in action against such a danger which no sensible person desires and accord the various Governors the power of negating any local community program unless it were sponsored by local public authorities. This uncertainty of Federal intervention is of serious and sincere concern to many Members here and I think that a power

of veto to a Governor will reassure them on this score.

In our deliberation on this bill let us remember that cities throughout this country are increasingly burdened with growing numbers of families on relief and the relief payments are so insufficient for modern living normal standards that these families' cumulative misery suffocates them in further dependence. This bill to combat poverty provides the first real hope in a generation of purposeful public action to raise these families up into self-independence, to take young people off the street corners and train them for steady employment and encourage the uncertain to remain in classrooms until they earn their diplomas.

Let us vividly realize that a teenage jobless rate of 16 percent has explosive possibilities that are of potential fearful and frightful consequences even in this nuclear age.

Mr. Chairman, obviously the problem of poverty in this country is real; its costs in human misery and economic impact are beyond calculation. The costs of this bill are reasonable for the objective intended and the programs projected should be marked for reduction and elimination as the programs advance in their accomplishments.

It is not suggested here that a program of perpetual care is to be established. It is intended only that poverty-stricken people who need and will respond to help will be given such help so that they may help themselves and gradually the desperate need of such help will be reduced and the programs themselves will be accordingly restricted and eliminated.

Mr. Chairman, in the course of his historical and inspirational inaugural address, our late and beloved President John F. Kennedy spoke these memorable words:

To those peoples in the huts and villages across the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich.

With this sentiment and in his spirit let us enact this legislation because it is right and because it is good for all Americans.

May I say it offers us also, Mr. Chairman, an opportunity to demonstrate to our American taxpayers and fellow citizens that although we should have earnest interest in the rehabilitation of peoples in foreign lands our primary concern and obligation is and ought to be for our own people who are still making great sacrifices for the promotion of peace, progress, and prosperity throughout an uncertain world.

Mrs. REID of Illinois. Mr. Speaker, for the past 3 days we have been considering H.R. 11377, the antipoverty bill which calls for the expenditure of approximately \$1 billion in the first year of operation and which would, among other things, establish a Job Corps.

Certainly, as Christians and as Americans, each of us must assist our less fortunate fellow citizens. This is a solemn duty. It must be met honestly and sincerely. However, I cannot tolerate callous attempts to make a political football out of misfortune. Furthermore, I feel that this legislation violates the pledges I have given my constituents.

I have promised the voters of my district that I shall continue to fight for economy in Government. This administration bill creates a huge new bureaucracy to administer new programs which overlap the 42 existing programs which deal directly with poverty. Public assistance, aid to education, and manpower retraining are only a few of the activities which cost almost \$32 billion Federal dollars last year in the continuing fight against poverty. This duplication of existing programs will certainly result in greater waste of our taxpayers' dollars.

The Department of Labor, the Office of Education, and the Social Security Administration provided training last year for more people than will be helped by this now "poverty czar." The Job Corps will cost the American taxpayers \$4,700 a year for each participant. As any parent knows, this is more than the average cost of a college education; and it is about nine times the per pupil cost a year in public schools in Illinois. The community action programs authorized in this bill are patterned on the Juvenile Delinquency Act which, in the words of its Democratic sponsor, "has apparently been a pretty dismal failure."

I have pledged myself to fight for decentralization of Federal power. H.R. 11377 bypasses local and State governments. Traditionally, Federal aid programs have required elected local officials to develop State plans for use of Federal funds. This is the first major program which allows an appointed bureaucrat to enter our local communities and give Federal funds to any group he chooses without regard to the wishes of elected local officials. Under this bill the "poverty czar" will establish a Federal school system independently of our local school boards. Placing control of what is taught our children in the hands of the Federal Government is a grave threat to our freedom.

I have pledged myself to support the constitutional separation of powers among the three branches of the Federal Government. This legislation has not had proper legislative consideration. The Johnson administration has disrupted the legislative process to block discussion of the merits of this proposal. Every effort of the Republican members on the House Committee on Education and Labor to provide information on which to judge whether this is good or bad legislation was blocked by the Democratic majority on the committee. Constructive amendments offered by Republicans in committee were voted down on a straight party line vote. The hearings of the committee show that this is a purely partisan political maneuver to get votes in November. I refuse to be a rubber stamp for any President. I will oppose any President who tries to usurp the



power of Congress; and I will never cast any vote on the basis of "political expediency."

Mr. BARRETT. Mr. Chairman, I am very pleased that the House is today studying and debating the merits of H.R. 11377, the Economic Opportunity Act of 1964, because such legislation is urgently needed in our city of Philadelphia and the Commonwealth of Pennsylvania to combat poverty, which is our Nation's worst enemy.

As we all know, poverty breeds among the peoples of our country because of poor health, lack of education, the absence of marketable skills, and an unstable family life. It is not a sin or crime to be poor, but we should and can help these unfortunate citizens so they can move from the back alleys and slums of our cities into a brighter world.

Mr. Speaker, this act will benefit approximately 35 million Americans who are now living in substandard conditions. It will provide them with the opportunity to improve their lives. The rewards will be great and our Nation will continue to prosper.

Title I of the bill is of particular interest to me because it concentrates on the problems of our youth—our future citizens. Part of title I will authorize the establishment of a Job Corps, which is designed to help our young men and women between the ages of 16 and 21. It will prepare them for employment and a richer life. Those who volunteer for the Corps will be granted an opportunity to complete their education. They will be offered vocational training, recreational and physical programs. They will not only build and improve their minds and bodies, but will gain a brighter outlook on life.

Mr. Speaker, this phase of the bill, in my opinion, is the most important and vital feature. It will eliminate the street gangs in Philadelphia. It will destroy hoodlumism and brutality. It will decrease delinquency among our youngsters.

Title II of the poverty bill will help the poor communities throughout the United States. Through the efforts of the local governments and local civic organizations, programs will be developed to attack the causes of poverty. These citizens, who understand their needs, will tackle projects to eliminate dilapidated housing; to provide for better family services, and more efficient health and educational programs.

Under title III of H.R. 11377, our rural families in America will be given help and guidance. These people are the most destitute and in real need of assistance because their employment opportunities are limited. At this point, Mr. Speaker, I would like to quote one of President Lincoln's favorite expressions, which parallels the purpose of this bill.

The legitimate object of government is to do for the people what needs to be done, but which they cannot, by individual effort, do at all, or do so well, for themselves.

I am also vitally interested in title IV of this bill because it will be of great value to the small businessmen, who over the past 10 years has found it difficult to compete with big business. In my own

city of Philadelphia, hundreds of small employers have been forced into bankruptcy because they had no one to turn to for help. Under this act, the little shopkeeper, through the Small Business Administration, will be able to obtain a loan on liberal terms and without going through yards of redtape. This bill will stimulate small business. Additional employees will be hired. Economic community growth will occur.

Another feature in the bill, title V, will help the public assistance recipient and other needy persons develop new skills which will make them employable. This will be a blessing to those people who want to work, but cannot find a suitable job.

Mr. Chairman, America will continue to grow and the will of her people will defeat poverty. This bill is only the beginning. History will write the finale.

Mr. MURPHY of New York. Mr. Chairman, I wish to express my support for the legislation before us today.

One of the broadest measures of progressive legislation since the 1930's is the Economic Opportunity Act of 1964, better known as the antipoverty bill. Though a good deal has been written about this measure in the daily press, few know really what it provides. Obviously, the bill is not a cureall for poverty, nor does President Johnson claim it to be. But it is a step toward correcting glaring inequities in our economy. The bill consists of six sections, of which three are of particular interest to our area: First, Job Corps; second, community action programs; third, employment and investment incentives.

Briefly, the Job Corps would provide useful employment for young men and women, from 16 through 21, in projects similar to the program of the Civilian Conservation Corps before World War II. They would be enrolled for a maximum of 2 years and paid \$50 a month, of which \$25 would be sent to the enrollees' families if circumstances warranted it. In addition, the bill would underwrite public and private agencies in setting up work training programs for young people of the 16-to-21 age bracket.

In community action programs, the bill would provide Federal financial aid and technical assistance to any community wishing to mobilize its resources to wipe out the pockets of poverty that are a blight in every city, large and small. A vital part of this section is an adult education program. This is aimed at helping the semiliterates—those whose reading and writing skills are so poor as to make them unemployable.

The third section of particular concern to us in New York is that which offers employment and investment incentives. Its purpose is to help existing small businesses survive and encourage others to grow. To implement this program, the bill would offer or guarantee 15-year, \$15,000 loans.

As I see it, this bill would be a major factor in attacking three critical problem areas in our economy. The first, and most important, in my view, is the growing dilemma of jobless youths—the dropouts who in many cases turn to crime simply because they have not the

basic education to hold even a simple job. To my mind this is the only practical means of curing the cancer of juvenile delinquency.

The community action program would tremendously improve the lot of another disadvantaged segment of our city—the adults of little or no skills who are hopelessly handicapped in an economy that demands technical training every year. A vigorous project along these lines could ease our heavy welfare burden. Remember, most of those on welfare are not there by choice; they simply cannot get a job.

Lastly, the provision extending help to the small businessman would be of immeasurable help in New York City, which is a community of small businesses. The small businessman is caught in an economic vise—rising labor and stock costs on one hand and increased competition from the industrial giants on the other. He plays a vital role in our economy, also; in our city, those employed in small businesses form the bulk of the labor force.

Mr. PICKLE. Mr. Chairman, the antipoverty program calls for an investment rather than a dole. It proposes to salvage human beings and in doing so it will contribute to the economic health of our Nation.

The Washington Star, in a recent editorial, stated in just four sentences the compelling case in favor of this program. I quote:

One of the curious and tragic aspects about the poor is that they have always been poor. They are too often trapped in a cycle of ill health, lack of energy, unfinished schooling, and consequent lack of opportunity. In 20th-century technology, the untrained man finds more and more doors closed. So he joins the unemployed, and his children are trapped, even unto the third and fourth generation.

That is truly, as the Star editorialist wrote, the tragic aspect of this situation. There seems no escape for these people.

The program proposed by this bill would provide a means for breaking the poverty cycle, thus giving hope to people who must now exist without that vital human quality.

The Job Corps proposed in this bill has been compared to the National Youth Administration of the thirties. That, as it happens, is something I know about from firsthand experience. When I graduated from the University of Texas in 1938, I accepted a job with that organization as area director at the staggering sum of \$100 per month. It was my job to direct work projects with local political subdivisions—and working together, the NYA and the cities, counties, and schools, constructed school buildings, sidewalks, recreational centers, machine shops, woodworking shops, girls' and boys' residence centers, farm centers, radio and electronic shops, and many other projects that offered training and some education for these youngsters.

We taught these young people how to work—and how to work together. The boys learned how to operate a bandsaw, feel the sureness of a drill press, and appreciate the glow and strength of a welding torch. They knew what it was



to cut dimensional pieces of tough oak, build it into a sturdy desk or chair, and then apply protective coats of paint which gave them pride in workmanship. They laid out batten boards for a construction job, and learned how to read slide rules, plumb a line, and make bond for the mortar that erected a strong school wall or public park building. And the girls learned how to sew and cook and keep books, and to perform secretarial and recreational services.

This was practical education. It was not fancy. These young people were paid mighty little for the services performed. The emphasis was on work—for we were still in the tailend of the great depression. But they did learn that it was important to know how to do something. Perhaps they recognized how little they knew—and realized that the world would pass them by if they did not learn some basic skills and receive some fundamental education; but this work kept them busy. It gave them hope and some dignity. And it gave them a faith—faith that anyone still had a chance because they had a government which was interested in their work and well-being.

My 3½ years' association with that organization also taught me a lot. It taught me that young people can be salvaged; they can be made taxpayers instead of taxeaters; they can help themselves if we help them. And they were helped.

Many of these young people with whom I worked became successful citizens. This was true all over the Nation. Indeed, many Members of the present Congress were products of that same era and same program. The proposed Job Corps, work training and work study programs are needed, and can accomplish significant goals in most communities which want it and can qualify for it. It is better to establish work programs than to make free grants as charities or doles.

Permit me this further personal observation. For the past 3 years, I served as employer representative on the Texas Employment Commission. There I saw daily the thousands of men and women streaming through our lines looking for work or signing up for unemployment insurance. Many of these people were young men and women; nearly all of them were uneducated and unskilled. Our State ran a statewide survey to study these facts, and found that there was a definite corollary between the rate of unemployment and the lack of education.

Invariably, the lower the education, the higher the unemployment rate. It went hand in glove—always the same. I came to the conclusion then, and I restate it now, that we must keep our young people in school until they at least finish high school. And our schools need to take a different approach, perhaps by offering two kinds of high-school diplomas—one in practical arts and the other in general academic achievement. We are making some headway in that direction now. We must keep our children in school long enough—no matter what—until they have learned how to do something with their hands and heads—and we hope both.

Meanwhile, we have a vast army of underprivileged dropouts; unskilled dreamers and blank human cartridges who must be reschooled, retrained, and retrieved.

Texas high schools last spring graduated less than half of the students who began the first grade 12 years ago. More than 40 percent of the teenagers in the eighth grade today will not be around for graduation exercises in 1968. And when a young person becomes a dropout he becomes an unskilled worker and commits himself to a lifetime of low wages and unemployment.

Unless we do something to reverse the trend of the growing number of unskilled workers—no matter how prosperous or affluent our society—we will see a large, uncontrollable rank of unemployed know-nothings develop who have lost hope and faith—and like any malignancy, the danger is that it will consume us in the long run if we do not eliminate the blight. Thus, for humanitarian reasons, we cannot tolerate this condition; for economic reasons, we cannot afford it.

It is my guess that virtually every congressional district represented in this House has a direct stake in the program proposed by H.R. 10440. I know that in my own district I would like to see the rebuilding of Bastrop State Park—the park of the Lost Pines Forest—which was built by another youth agency, the Civilian Conservation Corps, in the early thirties, with further work later being done by the National Youth Administration.

The rebuilding of this State park in my district would provide recreational facilities for our people, and at the same time it would give training and work opportunities for youngsters at a crucial decision point in their lives.

It is typical, I am sure, of projects that could be carried out throughout the length and breadth of our land.

Importantly, a section of the bill we are considering deemphasizes the role of Washington by providing financial aid to stimulate local community action programs in the war against poverty. With the veto power given to any Governor, we are assured of local control.

It will, of course, cost some money to start the war against poverty. But in the long run it will cost a great deal more money if we do not start that program. We have an opportunity to start it now, and now is the time when we should start it by approving the Economic Opportunity Act of 1964.

Mr. CORMAN. Mr. Chairman, today I received a telegram from one of the large aerospace firms in my district urging passage of the Economic Opportunity Act of 1964. The firm, Litton Industries, clearly recognizes the need for cooperation between industry and Government in maintaining the health of our national economy and realizes the contribution the pending antipoverty legislation can make toward a healthy economy. This telegram is indicative of the widespread support the bill has among responsible industrial leaders. It is also representative of the attitude of progressive management in California's 22d Congressional District.

The text of the telegram follows:

We at Litton Industries urge you to vote in favor of the Economic Opportunity Act of 1964 labeled S. 2642. We believe strongly that this bill should receive nonpartisan support in Congress as a measure essential to the continuing welfare and progress of the Nation and to our country's reputation throughout the world.

As members of American industry we have proudly offered our support and assistance to this bill and to the very tangible and effective gains which it can provide for many needful and deserving people in this Nation.

As presently constituted, the bill provides a unique and important opportunity for industry to give management leadership to what is conceptually, philosophically, and operationally proposed to be a broad-scale program directed toward our national well being.

Rather than having Government encroach upon industry's fields of capability, this might well be an opportunity for industry to play a greater role in Government. We enlist your support.

GEORGE T. SCHARFFENBERGER,  
Senior Vice President, Litton Industries,  
Inc., Canoga Park.

Mr. PUCINSKI. Mr. Chairman, the Chicago Sun-Times today carried an editorial in support of President Johnson's antipoverty bill which is so concise and convincing in its logic that I want to take this time to read the editorial in its entirety.

Marshall Field, publisher of the Chicago Sun-Times, which is a conservative Midwest publication, and his editorial staff have performed a most imposing public service by putting this legislation in its proper perspective and urging its enactment.

This is a complicated bill. I am particularly pleased to see that the Sun-Times editorial editor, Robert E. Kennedy, has taken time to analyze its complexity to write the editorial which I should like to read at this time.

It is most encouraging to see this kind of responsible and constructive journalism.

Mr. Chairman, the Sun-Times editorial reads as follows:

[From the Chicago (Ill.) Sun-Times), Aug. 7, 1964]

#### HELP THEM BE SELF-SUPPORTING

A quipster recently commented that the United States is so wealthy that it can afford to spend a billion dollars to try to end its poverty. It is in truth ironic that the most affluent Nation in modern history has pockets of poverty as bad as some that existed in the 14th century.

Whether the United States will undertake to spend nearly the billion dollars (mentioned above) is expected to be decided in the U.S. House today. That body is scheduled to vote on President Johnson's "economic opportunity bill" which was passed last month by the Senate.

Virtually all Americans agree that for economic if not humane reasons efforts must be made to raise the living standards of those persons why by reason of lack of opportunity or lack of skill do not earn a proper income for decent living conditions.

The main purpose of the Johnson bill as summed up by Representative PHIL M. LANDRUM, (Democrat of Georgia), Wednesday, is to take people off the welfare rolls and make them "taxpayers instead of taxeaters." President Johnson has said that the economic effects of the Government-sponsored war on poverty will generate more tax revenue than it will cost; the House committee report on



his bill says, "The visible cost of not adopting this program, in terms of direct public assistance payments alone, is \$4 billion a year."

Most Republicans are against the program as just another effort of Democrats to attack a social problem with a spending program. They view it as an election year gimmick. More effort, they say, should be put into existing programs, especially vocational education and job retraining. However, the bill was supported by 10 Republican Senators.

Southern Democrats, with the exception of men such as LANDRUM, are afraid the program would be used to further integration, particularly in the proposed Job Corps training camps.

The administration has agreed to give Governors the right to veto antipoverty projects in their States. Thus any State that objects to help from the Federal Government will have the right to turn it down. Federal money won't be forced on them. Only those States that want and need the help may get it.

As Walter F. Carey, president of the Chamber of Commerce of the United States recently pointed out, many communities have initiated their own programs to attack poverty without waiting for Federal help. In Chicago, for example, the Combined Insurance Co. of America, is underwriting the \$25,000 first-year cost of a pilot program to help migrants from southern maintain areas through job training and other counseling.

Much of the Federal program involves similar activities. In addition to work-training centers, mostly for unemployable school dropouts, the Johnson program is intended to promote community action programs such as those mentioned by Carey.

The Johnson bill happens to come under consideration in an election year but what it proposes to do has long been under consideration. The conditions against which it is directed are growing more acute. Our industrial society demands that every person be able to play a useful part in it. The unskilled must be taught, the ignorant must be educated. The very affluence that America enjoys depends on the optimum use of all hands.

The House should pass the Johnson bill. The time has come for all to acknowledge that efforts to raise living standards must be made at all levels of government.

Mr. SCHWENGEL. Mr. Chairman, it seems that everyone who has risen in this House during this debate has felt that it was necessary to disclaim support of poverty. It is as if an enigma is immediately cast over one who opposes this bill and it must be hastily cast off by the patent statement, "I am against poverty, too"; but:

While this is an almost natural reaction, I do not believe that such a disclaimer should be necessary. Not one of us here is for poverty or against sound programs to resolve the problem of poverty. Many like myself know what it is like and know something about what can be done about it.

It is almost incredible to note the situation as it has developed here on the House floor as this legislation is being considered. We are considering H.R. 11377 and yet we are not. We are considering the Senate poverty bill and yet we are not. There is a substitute bill that a committee has not considered or given a scrutinizing eye. One can never speak on the provisions of any one of three bills and be certain that he is addressing himself to the proper bill.

Evidently weeks of work went into the preparation of H.R. 11377 and the reports that accompany it and then when it comes to the House floor it is discarded because its proponents finally realize that it is not worthy of the support of a majority of this House.

So what is one to do? I had prepared some remarks on H.R. 11377, but somehow they would seem inappropriate since we are told we really are not considering it. Then I thought maybe I could speak on the Senate bill, but to my dismay found out that the substitute would be different from it, too. Finally we got to see the substitute that is going to be proposed, but after giving it some thought I felt it would be inappropriate to speak about a piece of legislation that really was not before the committee as yet. This leaves one in quite a dilemma; but not for long, for one, as he reads H.R. 11377, the Senate bill and the substitute that is to be offered, finds that all suffer from the same thing—inadequacy. In section after section you find planning and preparation done without needed State and local cooperation. In section after section you find a rehash of old programs that most of us thought had been discarded long ago.

Let us examine what some have called the pacifying or saving features of the bill—those apparently intended to buy votes. It is proposed that the Governor be given the power to veto any project private or public in his State. This is an extraordinary power. It certainly will enhance the power of our Governors. It is designed, as I understand it, to provide State participation in the poverty program. I might say to my friends who have often accused us on this side of the aisle of being negative-minded that I have never seen such a negative-minded proposal in my 10 years in Congress. Why not give the States a constructive role in this program? When you finally realized that the States must be given a part in the execution of this program was it not possible to find a more positive role for them to play? I have always suspected that there existed some lack of ingenuity on the other side of the aisle when it came to the area of Federal-State cooperation. This certainly confirms it.

The specific provisions of the various poverty bills have been debated and discussed at some length. By now most of us are acquainted with the defects of any one of the bills or all three of them, although I must say it certainly does get confusing at times trying to figure out which we are discussing.

But I want to take this opportunity to remind the House that this is only the first poverty bill. There is another poverty bill which is as offensive as this one before the Rules Committee right now. It suffers from many of the same defects that this bill does, plus a few more.

There is all kinds of evidence that this poverty bill and the Appalachia poverty bill were hastily drawn and without proper consultation with the people affected by the legislation. Early next week I will tell this House about a trip that I made just last Tuesday into Appalachia. After pleading all through the

hearings on that bill that the Committee go to Appalachia and getting nowhere, I finally decided to go myself. The results are interesting, to say the least.

Poverty is a problem all of us would like to eliminate, but there is a wrong way and a right way to do the right thing. The answers offered in this bill certainly point us in the wrong direction. More grassroots research is needed. It seems to me that we have consistently failed to get to the roots of the problems. We need to dig deeper and examine more carefully. Then and only then can we have any real hope of dealing effectively with poverty.

Mr. COLLIER. Mr. Chairman, during the several hours of debate on this bill we have been dealing in generalities, emotional appeals, and in platitudes. In the final analysis, however, it certainly should be evident that this legislation overlaps many existing programs and conflicts with others.

It represents in fact a legislative invasion of the jurisdiction of several standing committees of the House of Representatives.

These facts notwithstanding, I submit that either intentionally or unintentionally both the legislation and the presentation of the proponents leaves a vacuum instead of an analysis of the problem of poverty in this country.

What are the principal causes of poverty? They can be placed in four categories. One, a lack of available employment which leaves a family without adequate income or where employment is available, the individual, No. 1, either does not have the trade or skill necessary to secure a job; or, No. 2, because of age or ill health cannot secure a job; or No. 3, because the individual just cannot or will not secure or hold a job.

Everyone in this House knows that we have scores of federally financed programs, some providing matching funds through State and governments, which have been designed and directed to assist the economic, social, and educational plight of our less fortunate citizens. Admittedly, some have not worked out too well and failed to accomplish the purpose. Others have been exceedingly helpful and still others enjoyed both a degree of success and failure. The point is that there are existing programs which need only be reviewed and evaluated and perhaps implemented to do a better job than has been done in the past.

Any inadequacies in existing programs do not warrant the ill-conceived piece of legislation with which we have been dealing for the past few days, however. In fact, if it is enacted into law, it may well create the new problems of irresponsibility, buckpassing, and confusion which will hinder rather than help the war on poverty which has been going on in this country for many years.

I wonder if any analysis has been made in the deliberations on this program with regard to what percentage of the families in the country classified as being impoverished fall into the four categories which result in inadequate income and substandard living conditions. Let me cite a prime example



which I do not believe has even been touched during consideration of this bill and perhaps not even during the committee deliberations.

One of the prime causes of poverty in the country today is chronic alcoholism. Latest figures issued by the Department of Health, Education, and Welfare this week to a member of my staff show that there are 5 million alcoholics in the country today growing at a rate of 200,000 per year. Some years ago, I served as director of general assistance in a township of approximately 60,000 inhabitants. Repeatedly, needy families who came for public assistance were those who were the dependents of an alcoholic who was unable to hold a regular job or, in many cases, just did not want to work. Local welfare agencies frequently assisted in trying to rehabilitate these peoples, and comparatively few were ever reconverted into self-sustaining, responsible citizens. It is interesting to note that more than 80 percent of the chronic alcoholics in the country today are males past the age of 21 years—that very group which are primarily the wage earners or heads of households in the country. Of course, there are a lot of the "Reggie van Gleason" type of alcoholic who can afford the luxury of debauchery—financially, that is. But these are very much the exception rather than the rule in this critical area of poverty. I point this out because it seems to me that before we can embark upon the type of program that we are asked to support today that a proper evaluation be made of the problem and implementation of existing programs at a Federal, county, and local level be made to provide a more realistic course of action. To approach the problem in any other way is merely to find ourselves back here in 2, 4, 6, or 8 years from now without any improvement in the situation not to mention the confusion and overlapping which will result from this ill-conceived approach upon which we will be required to vote today.

Mrs. DWYER. Mr. Chairman, the essential question before this House is whether we are prepared to begin now to direct a concentrated attack against the causes and conditions of poverty in the United States.

I know of no responsible person who denies the existence of poverty in our otherwise very rich and fortunate Nation. While there are differences of opinion about the extent of poverty, about the validity of certain measurements and criteria for defining poverty, and about the hopefulness of proposed methods of combating poverty, there is no doubt that the problem is sizable and that new and decisive efforts are required to deal with it effectively.

The pending bill, Mr. Chairman, meets this need. It provides a practical way to break the cycle that keeps the poor poor and condemns their children and grandchildren to be poor. It is not welfare; it gets to the causes of poverty. It summons local effort and initiative and calls on the volunteer spirit of concerned citizens. It promises to be a well-coordinated and carefully thought out program. And it can be economical in the best sense—saving our human resources and

reducing the scandalous costs of crime, delinquency, unemployment, and welfare.

It is time now to act decisively in helping people to help themselves, in providing realistic opportunities for the basic education, job training, and work experience which will assist the poor to become productive and self-respecting members of their communities.

The news today, Mr. Chairman, that the number of people with jobs has reached the historic high of 72.4 million and that the rate of unemployment has declined to a 4-year low of 4.9 percent, points up the paradoxical nature of the poverty problem—the coexistence in America of unprecedented prosperity for the great majority of our people side by side with the hopelessness and deprivation of almost hidden millions.

At such a time as this—with our economy moving forward, with purchasing power increasing, with new opportunity opening up, at least for most of us—we must not halt or relax. Despite our differences, we are all in agreement that poverty exists and that it cannot be tolerated. So let us get at the job today.

The defeat of this bill would mean the waste of at least another year or more in getting badly needed help directly to the people. We need the bill now—in my own congressional district, in Elizabeth and Plainfield and other Union County, N.J., communities, as well as elsewhere throughout the country, where public and private agencies are looking for the chance to make an increased contribution.

In voting for this bill, however, I do so with two important qualifications. First, our concern about poverty does not justify voting for every proposal which is advanced in the name of antipoverty. And second, passage of this bill will not relieve us of the responsibility to supervise its administration and make an honest determination of its effectiveness.

In spite of certain potential weaknesses in the legislation, the bill appeals to me because it promises to get help to those who need it most and to do it directly, and because it provides for a coordinated approach within the Government to a problem which, because of its diversity and complexity, could overwhelm us if we approached it on a piecemeal basis. The same cannot be said of other programs which the administration has attempted to portray as antipoverty programs, including the Area Redevelopment Act and the accelerated public works program both of which I have opposed as wasteful and inefficient.

In keeping with our responsibility to watch the antipoverty program carefully, assuming we approve it today, I would urge our colleague, Mr. Chairman, to give thoughtful attention to House Resolution 666 which I introduced last March. This proposal would create a Select Committee on Poverty in the United States composed of ranking members of the principal House committees having legislative jurisdiction over various aspects of the poverty problem, members who could bring to the task of fighting the war on poverty the experience and judgment it needs.

The war on poverty cannot be a one-shot effort. It is a complicated and multifaceted thing, and Congress has an obligation to organize itself so as to provide the close supervision and expert thinking which can prevent waste and duplication and make the program truly successful.

As a part of my remarks, Mr. Chairman, I include the text of House Resolution 666, together with a brilliant and tersely written portrait of poverty in Elizabeth, N.J.—certainly a representative middle-sized city and thus typical of the conditions this bill is meant to attack—and a letter to the editor from Elizabeth's Msgr. W. C. Heimbuch which reflects that distinguished clergyman's long experience and deep compassion. Both the letter and the article were published in the Daily Journal of Elizabeth.

Whereas there has been variously estimated to be from 20 per centum to 30 per centum of the American people who are not sharing in the abundance and promise of our national life and are living their lives in economic, social, and cultural deprivation; and

Whereas such deprivation to the extent it exists is enormously costly to the Nation as a whole both in terms of lost human resources and of the increasing expenditures necessary to control the adverse effects of poverty; and

Whereas poverty in the United States exists under many forms and in diverse circumstances, affects people of varied backgrounds and in different parts of the country, arises from a variety of causes; and is perpetuated by many different factors; and

Whereas the President has requested Congress to provide authority and funds to combat poverty; and

Whereas an effective campaign against poverty will require, among other things, the identification of the causes instead of the symptoms of poverty, a comprehensive inventory of existing and proposed programs and policies affecting poverty, a judicious search for means appropriate to an attack on poverty at its sources, the establishment of meaningful priorities for the use of Federal resources, and a high degree of coordination between responsible agencies of the Government; and

Whereas the President has recommended the creation of a new Office of Economic Opportunity within the Executive Office of the President to provide coordination and direction in the executive branch in the campaign against poverty; and

Whereas Congress as a coordinate branch of the Federal Government has an equal responsibility for providing coordination and direction in any campaign against poverty which Congress may authorize; and

Whereas the President's proposed "Economic Opportunity Act of 1964" has been introduced in the House of Representatives as an omnibus bill and referred to a single committee, notwithstanding the fact that it contains provisions which ordinarily, by virtue of their subject matter, would come within the jurisdiction of other standing committees; and

Whereas the expert knowledge and experience of members of these several standing committees should be brought to bear on the subject of poverty and on the most practicable and effective ways of combating it: Now, therefore, be it

*Resolved*, That there is hereby created a select committee to be composed of thirty-five Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Members shall be appointed in a ratio of three majority members and two minority members from



each of the following standing committees: Committee on Agriculture, Banking and Currency, Education and Labor, Interstate and Foreign Commerce, Public Works, Interior and Insular Affairs, and Ways and Means. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is directed to make a complete, full, and thorough study and investigation of the extent to which poverty exists and the forms in which it is manifested among the people of the United States, the numerous programs and policies being followed by sundry departments and agencies of the Federal Government which may be related, directly or indirectly, to the subject of poverty, and the various proposals advanced from both public and private sources for combating poverty in the United States. Without limiting the generality of the foregoing, the committee shall give special attention to the following: (1) the identification of the sources, extent, causes, and conditions of poverty wherever it may exist in the United States; (2) an analysis of the programs and policies presently in effect in the several departments and agencies of the Government operating directly or indirectly upon the problems of low-income persons and families living at substandard levels, and the amounts being expended for such purposes by the departments and agencies; (3) a review of recommended policies and programs, together with their estimated cost, which are designed to combat poverty, including such recommendations from both governmental and nongovernmental sources; (4) an evaluation, for purposes of establishing priorities, of existing and proposed policies and programs in terms of their present or prospective relative effectiveness as a means of combating basic sources of poverty; and (5) a determination of the usefulness and adequacy of the means employed, or proposed, to effect necessary coordination between Government departments and agencies with regard to those activities relating to the control and elimination of poverty.

In order that this study and investigation of Government activities in the field of poverty may be better coordinated, without limiting the scope of the committee's work, it is directed, among other procedures, to make use of information currently available in the various committees of Congress which have legislative jurisdiction over such Government activities to the end that the committee may be able to recommend the necessary legislation and administrative action to coordinate and prevent unjustifiable duplication in the numerous projects and activities of the Government relating to the effort to combat poverty.

The committee shall report its findings to the House with such recommendations for legislation and administrative action as the committee may deem appropriate to correct any deficiencies in and to improve the effectiveness of Government efforts to combat poverty. The committee shall make a final report on or before December 31, 1964, and may submit such other interim reports as it deems advisable. Any reports submitted when the House is not in session may be filed with the Clerk of the House.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether or not the House has recessed or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as the committee deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any

properly designated chairman of a subcommittee, or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

The majority of the members of the committee shall constitute a quorum for the transaction of business, except that two or more shall constitute a quorum for the purpose of taking of evidence including sworn testimony.

[From the Elizabeth (N.J.) Journal, Aug. 4, 1964]

#### MORE CHARITY—LESS SELFISHNESS

EDITOR, JOURNAL: I have read with deep interest the feature articles in the Journal on poverty in Elizabeth. The story of poverty is probably as old as the human race. There have always been the "haves" and the "have nots." In the ancient days of slavery the contrast was even more profound and more depressing.

The title of one of these articles tells pretty well the sad, disheartening story: "Hopelessness, Helplessness and Joblessness." When we talk poverty in Elizabeth, it is not much different from the shocking story of suffering that is prevalent in Chicago, St. Louis, New York and other large cities.

As a member of the local assistance board for more than 5 years, I have had a good opportunity to obtain firsthand information on the tragic situation right here at our very doorstep. To alleviate or even give partial relief to those who suffer is not an easy task. To stamp it out completely is an impossibility.

Any local assistance board faces the trying problem to distinguish between the deserving poor and the undeserving poor. And with the laws as they are written today, even the undeserving poor receive a great deal of attention and protection.

Trying to give help to everyone in need to give them ample food, proper housing, and satisfactory clothing is something that we all hope for, but we never reach that goal. The funds that are provided are taken from the taxpayers' money and reckless spending could plunge a city or town into bankruptcy.

For this reason we strive to do what we can to help the deserving poor. These are the people who have been struggling against the ravishes of poverty all their lives. They have never enjoyed the comforts or the luxuries that many of their fellow men have. When they go to some social agency seeking help they accept it with gratitude and they show a willing spirit of cooperation.

The undeserving poor are of a different stripe. They have the mistaken idea that the world, particularly the community in which they live, owes them a living. Their voice of complaint is continually heard. But when they obtain a job they hold it for a few days and then give it up, usually complaining that they are suffering from some physical ailment.

People like this will sometimes say: "Why should I work when I can go on relief?" To make matters worse they are thoroughly dishonest when they make their appeal. The help they receive for rent might be used for luxuries to which they are not entitled.

The war on poverty is almost a helpless task. About 10 percent of the population controls 90 percent of the wealth and the remaining 90 percent of the people must be content with the remaining 10 percent of the wealth. And who wants to share his wealth with his less fortunate fellow men?

If figures could be produced to show accurately how much well-to-do people donate to help others, it would be shockingly low.

We need more charity—less selfishness. Cain once said: "Am I my brother's keeper?"

If we bury our heads in the sand like an ostrich, or retire to our ivory castle in stony silence, we make matters much worse.

We don't have a complete solution to this most distressing situation, but more sympathy, more charity, and more understanding would be a big help.

Rt. Rev. Msgr. W. C. HEIMBUCH.

ELIZABETH.

[From the Elizabeth (N.J.) Journal, July 20, 1964]

#### POVERTY IN ELIZABETH: HOPELESSNESS, HELPLESSNESS, JOBLESSNESS

(NOTE.—One of the battles in the war on poverty which has been declared by President Johnson might well be fought in Elizabeth. The poor are here too, living under conditions about which too many persons know too little. This article presenting an overall picture of poverty in this city is the first of a series by a Journal reporter who talked to officials, private and public welfare workers, and the poor themselves, observing firsthand the plight of these people.)

(By Robert De Lazaro)

Elizabeth is divided into two cities.

One is prosperous, with an economy producing higher wages, greater business profits and more new apartments than ever before.

The other is impoverished, its inhabitants poorly fed, uneducated and unskilled, stranded in tenements or crowded in slum houses.

Except for the regular welfare checks, the two communities seldom communicate with each other. The affluence of the one and the poverty of the other have bred distrust.

Outside of newspaper headlines about crime or slum housing crackdowns, the city of the poor is virtually unknown to the prosperous mainstream of Elizabeth.

Abe Lemberg, former chairman of the Elizabeth Local Assistance Board and a veteran of 45 years in voluntary public service, put it this way:

"We belong to a country club, swim club, or golf club and don't realize that in the midst of all our benefits there are still poor people down on Third and Second Streets who can't do anything to help themselves.

"We never go down there anymore. Nine out of 10 people in Elmora or Westminster don't remember where New Point Road or Court and First Streets are. Maybe they don't want to."

Here, in capsule form, are some of the facets of the story of the city's poverty.

#### HOW MUCH POVERTY DOES ELIZABETH HAVE?

More than 4,000 persons in Elizabeth were receiving some form of county or city assistance as of March 1. The county welfare department is aiding three-fourths of the cases.

From 50 to 75 families in Elizabeth are regarded as hard-core poor who cannot be made self-sustaining through normal welfare means. Several are in the third generation of welfare and illegitimacy. Some families have been destitute since the depression years.

An unknown number of aged and large families with insufficient incomes are not on county or city welfare rolls. One welfare official estimates that if the true number actually were counted, as many as 1 in every 10 persons in the city could be classified among the poor because of deficiencies in housing, diet, education, job opportunities and mental and physical health.

#### WHAT IS THE APPEARANCE OF ELIZABETH'S POVERTY?

Eleven persons sharing an attic at \$100 a month.

A mother forced to feed her children from a pot on the stove because they haven't any kitchen furniture.

Thirty-five Negroes fleeing their burning one-family home.

A hard working but unskilled father earning \$65 a week to support 7 children.



A 64-year-old man walking all day delivering circulars for \$3.

Aged men and women living alone in one-room apartments and paying out two-thirds of their social security checks for rent.

Negro children forced to study outside of their homes because of no lighting, alcoholism, family disputes and crowding.

#### NEGROES WITHOUT HOPE

"When you talk about poverty in Elizabeth," said William J. Haskins, executive director of the Urban League, "you mean Negroes. The Negro has the worst housing, education, job opportunities and incentives to end his poverty."

Negro children entering school, he said, are behind from the kindergarten on because of poor family environment. Too many can never catch up and thus drop out as unskilled, uneducated teenagers into an industrial society that demands more technically trained people.

The result, said Mr. Haskins, is another generation of Negro youngsters mired in the poverty of mind, spirit and culture.

"We need a Marshall plan against domestic poverty. In 10 years we could cut welfare illegitimacy, and economic and human losses," he said.

"It's time that welfare agencies tried what the State Department did to combat communism. They threw away the book and made the laws fit the needs. \* \* \* Welfare programs today are nothing but a big joke to Negroes."

#### THE BITTER WHITES

Living on the brink of poverty, whites complain that Elizabeth's Negroes reap the benefits of welfare and refuse to work. The shortage of adequate housing for large families and the tightening job market for unskilled workers increase the conflict.

It becomes a case of poor whites and Negroes reaching for the same crumbs. Slightly more prosperous whites on the fringe of Negro neighborhoods fear that the proposed New Point Road redevelopment program will shift Negro slums to their streets.

#### JOBS AND UNEMPLOYMENT

Two age groups—those under 20 and those over 65—are in need of many new jobs. Older workers continue to meet strong resistance from employers not interested in hiring them. Early retirements are increasing their dependence on social security and part-time work. Their age and the reluctance of employers kill their incentive for retraining programs.

Three times as many skilled jobs are opening up in this decade than in the previous 10 years. The opportunities are for engineers, scientists, technicians, accountants, teachers, nurses, service and sales people and managerial personnel.

The unskilled and the uneducated, meanwhile, are finding less employment. Automation will accelerate this.

#### THE BACKLASH OF POVERTY

Crime, delinquency, illegitimacy and blight are its obvious marks.

Families raised in the cynicism of 10 or more years of poverty damage and defile low-rent public housing provided by the city.

Children of the poor, often saddled with their own burdens, abandon their elderly parents to welfare.

Third generations of illegitimacy, drunkenness, family arguments, crowding and emotional frustrations lead to spiritual and moral callousness.

Racial suspicion and tension spread easiest in blighted neighborhoods.

Distrust of government, politicians, and even "do-gooders" who visit the slums is apparent.

Welfare costs grow and economic and human losses pile up.

#### CAUGHT IN THE BATTLE

Public welfare agencies are criticized as coldly indifferent, budget conscious and limited by professional social workers outside of government. Few welfare programs attack the roots of poverty, it is charged. Only in the last 2 years has the county pioneered a small rehabilitation program.

Generally welfare programs largely have reflected public suspicion of cheaters, spongers, and the lazy, and the taxpayers' resistance to increasing welfare expenses.

#### ISN'T EVERYONE AGAINST POVERTY?

Not really. Strong feelings exist that Elizabeth's poverty is a natural state of mankind and cannot be licked.

Antipoverty programs are challenged as pipedreams, socialism, and political cornpone in an election year.

Sons and grandsons of the city's early immigrants declare that the Negro poor would work as hard to improve themselves as white minorities did only a few generations ago.

#### WHAT TO DO ABOUT IT

Experienced professionals in community service in Elizabeth say:

The city must start working with the poor as part of the community and not as lepers.

Public and private community services should be used cooperatively with Federal help under the proposed Johnson antipoverty program.

Barriers against Negro housing and employment must be destroyed.

Private industry must be stimulated through tax writeoffs and contracts to train unskilled workers and expand job opportunities.

Public works programs should be used to find immediate jobs for the untrainable.

Preschool nurseries should be established to remove children from the cycle of illegitimacy and free their unwed mothers to work.

School programs must be expanded to handle the special problems of deprived children.

Public attitudes that view welfare recipients as little more than spongers, cheats, lazy, and incompetents must give way to an understanding of their serious problems that have held them in the grip of poverty.

Incentives must be given for private industry to construct adequate housing for low-income families.

Family courts are necessary to handle the multitude of different problems now scattered among separate courts.

Mr. VANIK. Mr. Chairman, the poverty which results from persistent unemployment and misfortune is a national problem which continues to afflict our Nation. It is the underlying cause of all discontent and a factor in the violence which flares up in our central cities.

While this legislation cannot be expected to solve all of these problems, it does manifest the concern of all Americans for the life without hope which overwhelms so many.

There are many who contend that poverty and misfortune are totally the result of the ineptitude or indifference of the individual. They are inclined to relate their own success and progress to what they say is their own hard work and dedication. They overlook the fact that many are destined to be born into poverty and misfortune, that most of the persons afflicted with poverty have had no other choice. They overlook the limitations that are suffered by the undertrained and the underdeveloped.

This bill will provide, among other things, an inventory of the underdeveloped and neglected human resources of

the land and also stimulate the mobilization of community efforts, local, State, and Federal toward workable solutions.

In my Cleveland community, there are almost 20,000 unemployed persons. The figure may vary slightly from time to time, but the total remains substantially unchanged.

This bill could reach almost a third of those chronically unemployed. The Job Corps could provide hope and opportunity for 3,000 to 4,000 distressed young men who search for a first chance at a job. We have many nearby facilities which could be converted into camps so that the modest income of the corpsmen could be saved for their development and education and not wasted on travel to and from remote campsites. We have local projects which have a high public value and the corpsmen would be welcome.

Under title II of the bill, Ohio will be allocated approximately \$13 million for community action programs. In view of greater established needs and developed local community interest, Cleveland should be able to qualify for a \$5 million or \$6 million community action program in the first year. The State allocation should be based on the need and the readiness of local sponsorship. Cleveland has both qualifications.

The work-training program which is directed toward high school dropouts could reach as many as 2,000 high school dropouts, while the work-study program could provide part-time work and income opportunities for some 1,500 college students of urgent need.

The program envisioned by this bill could solve more urban problems than any other proposal considered in Washington during the past decade.

This bill provides every American with an opportunity to contribute to the solution of a national dilemma. While it is perhaps vain to believe that we can wholly overcome poverty, there should develop some universal pride in this attempt.

Mrs. GREEN of Oregon. Mr. Chairman, there have been many generalized statements here on the floor of the House as to the scope and depth of poverty in the United States. The aggregate statistics are persuasive, but it seems to me that even more persuasive are portrayal of specific situations in specific localities.

The most comprehensive that has come to my attention is a four-part series that appeared in the Catholic Sentinel, the weekly official newspaper of the Roman Catholic archdiocese of Portland, Oreg. The series was both ably written and ably documented by Tom Albright. Both the Sentinel and Mr. Albright are to be commended for this spendid effort:

#### SERIES ON POVERTY—PART I

They "inhabit a world scarcely recognizable, and rarely recognized, by the majority of their fellow Americans."

"It is a world apart, whose inhabitants are isolated from the mainstream of American life and alienated from its values \* \* \* a world where a minor illness is a major tragedy, where pride and privacy must be sacrificed to get help, where honesty can become a luxury and ambition a myth."

These were the words used by President Johnson's Council of Economic Advisors in a recent report to Congress, to describe the



plight of one out of every five people in this country who live at the brink, or in the depths, of poverty.

It is an apt description, and about as appropriate to Oregon as it is nationally. The 1960 U.S. census figures show 17 percent of Oregon families—a little more than one out of six—living on incomes of less than \$3,000 a year, the index used by the Council of Economic Advisors to define poverty. Ten percent—some 45,500 of the State's 459,800 families—lived on less than \$2,000 a year. Fifty thousand unrelated individuals received less than \$1,000—less, that is, than \$85 a month, \$25 a week.

The most recent "Area Labor Market Trends" bulletin of the U.S. Department of Labor lists 18 Oregon communities or counties<sup>1</sup> as areas of "relatively substantial" or "substantial and persistent" unemployment, with 6 percent or more of the total labor force currently without jobs, and eligible for various forms of special Federal aid. Portland, with 6.1 percent, is listed as an area of "moderate unemployment."

Oregon's 1959 statewide median family income of \$5,892 stands somewhat above the national figure of \$5,660—a statistic that includes such poverty-ridden States as Mississippi, with a \$2,880 figure, as well as a high of \$7,310 in Alaska. It is somewhat further below a \$6,730 median in California, a \$6,230 median in Washington, and compares more favorably with a \$5,900 figure for Utah, \$5,880 for Wyoming.

Median family income for Portland—\$6,340—is little higher than a \$6,222 annual budget drawn up by the U.S. Labor Department in 1959 and estimated as necessary to maintain a statistically average Portland workingman's family of four at a "modest, but adequate," standard of living. In other words, almost one-half of all Portland area families fell short of this standard, described by the Department as "not a minimum maintenance budget," but "on the other hand \* \* \* below the average level of American families." (Average U.S. family income in 1960: \$6,800.)

Who are Oregon's poor? Where are they located?

You don't find them often in glowing economic reports printed in the daily papers—where a 0.2-percent drop in unemployment is given precedence over the thousands of workers who still remain without jobs. The library of one Portland newspaper maintains a file on "Oregon—Progress and Prospects"—but none on "Oregon—Poverty."

The poor emerge slightly more frequently, but indecisively, in census figures and other statistics prepared by State and Federal agencies. Not all the poor are unemployed, and many of the poor are ruled out, by age or other factors, from official membership in the labor force, upon which unemployment percentages are based. Income figures, on the other hand, do not include money from savings. Not all families earning less than \$6,222 annually include two children—but others may include considerably more.

There are certain obvious locations—the names of the near destitute are carried in the files of such organizations as Catholic Family Services and the Salvation Army, on the requisition forms of the St. Vincent de

Paul Society, on Oregon Public Welfare roles. A large segment of some of the most tragically poor—single people in their sixties and beyond—inhabit a distinctly recognizable world of cell-like rooms in declining central city apartment buildings and hotels, skeletons kept out of sight in society's collective closet.

There are pockets of persistent poverty in some rural sections of the State—southern and some parts of eastern Oregon, Astoria, Yamhill County. There is Portland's Albina Negro ghetto. There is, of course, Skid Road.

This outline points up the fact that there are several different kinds, as well as varying degrees, of poverty, whose victims often inhabit subworlds of their own. The picture is confounded further by confusion in what is always meant by poverty. There are the so-called "land poor." There are the "credit poor"—and people who make \$10,000 a year, while spending \$12,000. Poverty is, to some extent, relative. And the statistics, besides sometimes being inconclusive or misleading, are also subject to changes brought by time—Oregon employment and income pictures have brightened, for example, since the 1960 census year. But the cost of living also has gone up.

With all this said, the fact remains that poverty is more than a statistical myth produced by politicians in an election year. For distressingly large numbers of people in Oregon, poverty has become an overwhelming reality. This reality is little alleviated by the material help that is sometimes begrudgingly given in the form of social insurance and welfare programs—which, in Oregon, often fall some distance short of reaching recommended national standards.

For many, it is a poverty that meets the most puritanical qualifications—the poverty of people who want to "stand on their own two feet" and can't—if not always the most prudish strictures—for some reason, the poor are expected to give up both drinking and smoking, although even the Labor Department's "modest, but adequate" budget includes reasonable amounts for beer, liquor, cigarettes. There are some who may not always fit an idealized portrait of the poor—most of the poor are uneducated, many are strangers to conventional middle class values, some have been foolish. All of them are human.

They suffer a poverty made more painful for existing in the midst of affluence, a poverty that is hardly consoled by comparisons that are sometimes made between the poor in the United States and the homeless or starving in some other countries. It is, in fact, incalculably worsened by a general level of prosperity in which the prices for most things—food, shelter, transportation—are geared to a generally high average, forcing the poor to pay a much greater proportion of their meager incomes for the bare necessities of life. It is a poverty that is mostly obscured by the statistics, as well as the material trappings, by which contemporary affluence is measured. It is the other side of the averages, the suit of clothes bought second hand, the ordinary looking house, with no furniture inside.

"If you want to find poverty, go down to Blanchet House," an official at Portland's State employment office blandly advised.

This is the poverty that is visible to the average white collar suburbanite, who may happen to drive by Blanchet House, the Salvation Army, the other missions with their lines of homeless men, on the way from downtown Portland office jobs to comfortable homes in Beaverton or the West Hills. It is an insignificant fraction of the total extent to which poverty exists in Portland, not to mention the rest of Oregon.

You must go elsewhere to meet the people Michael Harrington, whose book "The Other Americans" first directed national attention to the problem of poverty in the United

States, has called the "involuntary poor," the "invisible Americans."

Poverty, for some, is an inheritance. For others, it lies at the end of a slowly traveled one-way street. In most cases, it is usually marked by a line.

You meet "George Hammond" (this and other names are fictitious) in the line behind a window in the Portland State Employment office where he picks up his weekly unemployment compensation check. He is one of many people you talk with here who have not yet crossed the fine crisis line demarking the difference between whether or not financial ends are going to meet. But he has already acquired the outlook of poverty—sight of a white shirt puts him on his guard, and he is at first defensive in talking of his present situation.

You finally learn that Hammond has been out of work for 5 months, let go with 350 others when a plywood plant he worked for was closed down. He is 42 years old and has worked most of his life as a planer and sander—but when he applied to other plants in the area for work, he was turned away.

"I guess I'm too old," Hammond says.

Hammond lives with his wife and four children in a house the family bought when times were better. For a few weeks, while hope remained, the family squeezed by on Hammond's \$44 weekly unemployment check, exhausting the few hundred dollars he had managed to accumulate in a savings account. Three months ago, Hammond's wife began working part time, and Hammond now spends much of his time at home, watching the smaller children and working around the house. For the moment, the Hammonds still manage to get by. Most of their possessions had been paid for, so there are no worries about repossessions—although some things may eventually have to be pawned, or sold. Hammond is discouraged about his prospects of finding another job, and he is gradually acquiring another characteristic of the poor—he doesn't find the time or incentive to look for work as often as he did earlier, just after being let go.

What will happen in another month, when his unemployment claim is exhausted?

"I don't know," said Hammond. "I just don't know."

"George Hammond" is a statistic—one of 21,700 people in the Portland area who were listed as unemployed in January. "John Harding" is not—yet, in many ways, he is worse off. You meet Harding outside of his union hiring hall.

He will tell you that he makes good money—when he gets work. Recently, though, this has averaged only about two days a week, giving him a take-home pay of a little over \$45. Times for Harding were once also better—so much so, that he overextended himself on installment purchases of some needed furniture for the rented home where he lives with his wife and three young children. During the past month, most of the family's living room furniture has been removed. Two of the children share a second-hand mattress purchased to replace beds that were repossessed. Harding is now 2 months behind on his \$50 a month rent. He spends much of his earnings buying medicine for his wife. The children need shoes, a car is immobilized in Harding's garage because it needs repairs \* \* \*.

"I don't know," said Harding, when asked what he was going to do.

"I don't know." The phrase runs with monotonous repetition through the replies of men who don't know how much closer the next day may bring them toward utter poverty, who often don't know fully why they have suddenly found themselves out of work, unable to get another job.

Lack of knowledge carries over into what little information one can find about the extent of this "gray area" of hardship that is

<sup>1</sup> As of the January bulletin—received by Department of Commerce headquarters here last week—these included Baker, Bend, Enterprise, Gold Beach, Heppner, Lakeview, North Bend-Coos Bay, and Roseburg as "substantial"; Astoria, Grants Pass, Hood River, McMinnville, St. Helens, The Dalles, and Toledo as "substantial and persistent"; Salem, Klamath Falls, and Ontario were removed from the list last month, according to Gov. Mark Hatfield, because of "a strengthened economy and a good outlook for the future."



the beginning of the end of economic security for many people.

There are figures compiled by the Oregon State Employment office which show that in mid-November of last year, 7.6 percent of 16,439 persons receiving unemployment compensation in the Portland area had been out of work for 15 weeks or more, indicating "a hard core" unemployed group. It is especially large among men 45 years old and over, and in semiskilled and unskilled jobs in lumber and wood products manufacturing, wholesale, and retail trade, and service work.

A survey conducted by the State unemployment compensation commission in April 1959, devoted itself partly to refuting certain common misconceptions about the kinds of people who make up the unemployment line.

Quoting an editorial in a Portland newspaper which had held that unemployment figures tend to exaggerate economic distress in families due to unemployment because "actually less than 1 percent of our families are without a wage earner," the survey cited figures showing fully 37 percent of beneficiaries to be heads of families, whose only known source of income was unemployment payments. Another 17 percent lived alone and were considered totally dependent on unemployment compensation and "at the least, 56 percent of Portland's beneficiaries are in family units without a wage earner during a period of unemployment."

These conclusions and others were largely confirmed by a national survey conducted in April of 1962 by the U.S. Labor Department, based on 9,600,000 people who were out of work 5 weeks or more in 1961. It found them to be able family breadwinners, mostly males over 18, and holders of definite previous employment records. The Department's analyst, Robert L. Stein, summed them up:

"In general, they cannot be regarded as personally responsible for their own difficulties, unwilling to accept suitable jobs, more or less voluntarily unemployed, and only casually interested in an occasional job."

At any rate, there seems to be little incentive for "chiselers" in Oregon's State unemployment compensation program. The 1959 survey found that an average weekly benefit for that year of \$35 came to less than half of an \$87 median received by workers as their latest gross weekly wage. The survey concluded that Oregon's unemployment program fell "short of the national administration's avowed goal of compensating workers for 50 percent of weekly earnings during a period of unemployment." Oregon's maximum weekly benefit has since been raised from \$40 to \$44. But figures for last month show the average weekly benefit still stands at \$35.10.

The unemployment program shares the further weaknesses of other means of social insurance: None are actually based on need. The worker who earned the lowest income when he was working receives the smallest weekly benefits—a little in some cases as \$20 a week. Some workers do not receive enough earnings during a base period to qualify; others are not covered under the law.

The number of persons receiving coupons in the Multnomah County food stamp program provides an index of the degree to which hardship—due to unemployment and other factors—is being felt in the Portland area. Last month, food coupons were purchased by 4,216 "cases," involving a total of 13,516 people. These were "cases" who either receive public welfare grants or whose monthly income fell short, after subtracting certain standardized deductions, of maximum amounts ranging from \$118 for a single individual, to \$383 for a family of 10 or more.

These are, at best, incomplete and minimal measuring rods of poverty in Portland and Multnomah County. Officials of the food stamp program acknowledge that the maxi-

mum qualifying incomes are low, and they are concerned about a general lack of knowledge which has prevented many people who could qualify from applying for the program.

State employment officials stress the frequent unreliability of unemployment figures, pointing out, for example, that when times are good, more people—students, housewives, retired persons—look for jobs, boosting the jobless percentage.

Figures, at any rate, fail to tell some of the more significant facts about unemployed and low-income people, or to reveal some startling trends in the causes of unemployment.

One of these was noted by the recently appointed administrator of the Multnomah County Welfare Office, Gordon Gilbertson.

"We are seeing more and more young married couples," he said. "Often, it is a situation where the husband has dropped out of high school, married and had children, then lost his job. Often he ends up with nothing. It is a sorry situation."

The portent of automation in Oregon was raised by Alfred Corbett, member of a State legislative interim committee which has been studying automation and unemployment in 15 different communities throughout the State.

"When we began our study, people said to us, 'What are you concerned about automation for?'" said Corbett. "But then they would start to consider their own particular industry."

"Automation has led to decreasing employment in Oregon's two chief industries—agriculture and timber," he stated. "At the same time, there is a tremendous increase in the number of young people entering the labor market—this year's high school graduating class is nearly 40 percent higher than 2 years ago."

R. C. A. Moore, the committee's executive secretary, provided further figures. Agricultural employment in the Portland area alone lost 1,600 workers in 1963, due to increased mechanization and a decline in the number of farms.

"Ten thousand jobs in logging, lumber, and sawmill work have been lost in the last 10 to 15 years," Moore said.

"We have found in Oregon what everyone else has found elsewhere," he added. "Automation has meant a loss of jobs in the State. For the most part, these jobs are at the bottom—unskilled and semiskilled—while technical jobs have been increasing. The people who find it toughest to acquire skills have an equally tough time finding a job."

He referred to difficulty often encountered in trying to pinpoint technological unemployment.

"What you usually find is not a worker who has been displaced directly by a machine," said Moore. "Most often it will be someone who may have worked at a gas station, for example. The gas station closed because something happened elsewhere. As a rule of thumb, you can figure that every manufacturing job generates two to two and a half service jobs. A loss of 100 manufacturing jobs might mean up to 250 service persons losing work. Usually, it is the marginal workers—the last hired, the worker who was just getting by."

"I don't know." The man was about 25 years old, approaching the lineup at the State employment office. The month before, he had been laid off from a job in a garage. He couldn't say why—he had only been told he would have to be let go.

"I don't know." Like most of the other people you meet in the nebulous and ill-defined area between hardship and poverty, he was not angry, not resentful, but simply bewildered. He had not had much schooling, and his skills were limited. He could not understand why his services were no longer worth money to a society that spends millions each year on gadgets, cosmetics,

and movie magazines. And he had no idea of what might happen next.

The road from hardship to poverty and destitution is a horizontal fall. For many, it begins in the unemployment line. For some, it is punctuated with personal catastrophes—illness, family breakup, property loss. It often ends, sooner or later, in the Oregon State Public Welfare offices.

Poverty becomes visible as you approach the decrepit frame house in southeast Portland where a woman lives with her husband and two teenage sons. The front stairs are unsteady, and stuffing hangs from old furniture piled along the front porch.

Inside, there is a pervasive smell of cold damp, although the woman has done what she could to maintain a homelike appearance—a tattered bedsheet forms a hapless curtain over a door opening to the living room, and old overstuffed furniture has been covered with patchwork quilting. On top of a vintage upright piano, there are the pictures—an older son serving overseas in the Army, a married daughter, a portrait of Christ.

She is a wan, thin woman in middle years, with lively eyes and a ready smile. She is not on welfare now, although she did receive general assistance for a couple of months last year—a paycheck failed to arrive from her employer, a woman who is herself on welfare and whose monthly payments were initially among those cut following retrenchment in phases of the welfare program caused by defeat of the State tax measure in last year's referendum.

Welfare workers found this family living without heat, staying in bed to keep warm.

The woman does housework that her employer is unable to do, for which she averages a little over \$100 a month; sometimes her older son is able to send home as much as \$25 more from his Army pay. Her husband has a lung disease which has prevented him from working for close to 2 years. He is too proud to permit the family to receive welfare on a regular basis.

In the room behind her, her 16-year-old son stands silently next to the pot-bellied wood stove, inexplicably removing a sweat-shirt and putting it back on again. She says the boy quit high school after his sophomore year and is looking for work. Welfare workers tell you he has been in and out of the State hospital with a series of nervous breakdowns.

The woman is not reluctant to recall a time when things were better—if not too much so. Before his illness, her husband worked as a \$50 a week laborer on a farm in Clackamas County, where the family lived in their own home. This, along with most of their possessions, were destroyed in a fire. With aid from the Red Cross, the family moved into a Portland public housing project, and then to their present home, where they lived with the husband's sister and her son until they moved a few months ago.

This woman has only to pay taxes on the property—"if I had to pay \$50 a month rent, I don't know how I'd make it," she says.

Of the rest of her money, at least half—\$50—goes for food stamp coupons, the rest for utility bills, stove wood, and, when absolutely necessary, clothes. Most of these she buys second-hand at the Union Gospel mission. Sometimes friends from her Advent Christian Church give the woman some castoff clothing items.

Her \$100 a month is enough to keep the family from starvation—although, she says, "things get pretty rough around the end of the month." It is enough to provide for what is less a standard of living than of existence.

It has been 6 years since the family had a car—when the woman or her husband want to go anywhere, they usually walk, unless distance forces them to sacrifice the 30 cents bus fare. A \$5 expenditure recently



managed to get a small radio back in repair, but television—a godsend to many poor families—is denied them, since a second-hand set “went on the blink” several months ago.

What would she do if she was able to get a little more money?

The woman pointed to the walls, where gaping cracks appeared in the peeling plaster.

“I’d like to get some paint and clean the place up. It would only cost about \$5, but I just can’t come out that far ahead,” she said.

“The youngest boy begs me to get the TV fixed.”

He is in the eighth grade of elementary school this year. Both of her older children finished high school, and, she says, “I’m hoping this boy will, too.”

She added: “I’ve completed high school, myself, with a college preparatory course. But it doesn’t seem I’ve ever got a good job, even so.”

When you leave, you thank the woman for the interview. She says, “It’s all right, it might help somebody else.”

For herself, you can see that she holds little hope. Yet, she is a happy woman, like many of the poor, having somehow learned to live with it. A striking characteristic of the anatomy of poverty is the development of what psychologists call “defense mechanisms.” A better term than “defense,” for those who suffer poverty, might be “survival.” For some, this may mean resignation, for others, lethargy and apathy.

Sometimes, it is ironic humor. You find this shortly after you begin to talk with an unemployed husband and father. This man chuckles sardonically, for example, when he tells about going to the State employment office to apply for a job opening in his specialty as a sandblaster: When he showed up, he was told the company didn’t want anyone who had not been working during the 6 months just passed. But the man thinks there may be another reason—he and his family of 11, are Negroes.

The family lives in a large 3-bedroom home on the fringe of the Albina neighborhood in north Portland. From the outside, the house appears modestly comfortable. Inside, the living room is practically devoid of furniture—except for a davenport and a console TV set.

For their family of 10 children—ranging in age up to 14 years—this man and his wife receive \$328 a month in aid to dependent children grants from public welfare. Rent costs \$70, firewood at least \$30 to \$40 for enough to get through the month—although frequently this doesn’t happen. Sometimes the man will take his car—a 1952 Chevrolet—out in the country to gather wood; at others, the family closes off all the other rooms and huddles for days around the trash burner in the kitchen.

The father buys \$65 worth of food stamps every month, for which he can receive \$84 worth of groceries. He adds to this enough to make the food bill total about \$100—“but if I bought what I should, it would cost at least \$200 a month,” he said.

“The kids eat cereal—beans, rice, potatoes—I buy 200 pounds of potatoes every month,” he said. “They don’t know what it is like to have new clothes.”

The man could, and in past days, has, bought food, and also firewood, on credit.

“But I stopped that,” he said. “On credit the wood costs \$4 a load more. It’s about the same with the food.”

The man and his family have lived this way for about 3 years now. Before that, he worked as a ship scaler for various local plants. When he worked regularly, he could make \$400 a month—although more often, work might be available from 2 days a week to 2 days a month.

He now spends 11 days a month on a Multnomah County work project—which gives him a dollar a day to add to his assistance check. The other days, he will ordinarily begin by going to the State employment office to look for job openings, then to his union hiring hall. He says he could get a job out of the local—if he could pay a \$53 initiation fee. As it is, he takes a chance on getting a day’s job as an extra—if all the regular men are called out, and if he’s on hand, he could be sent out after paying a \$10 fee. This happens infrequently, he says, adding, “I’ve never been lucky enough to be there.”

Like most other people who have arrived at this stage of poverty, this family’s situation continues to get worse. The man had to quit making payments 2 months ago on the car that he bought while he was still working, and a finance company is about to repossess it.

“I’ve got nothing I can sell except my fishing pole,” he says.

This fall, the family’s oldest child will begin her first year of high school.

Poverty of this kind is obviously a different matter from the prepoverty condition of the relatively short-term unemployed. The extent to which it exists in Multnomah County alone is indicated by the number of persons registered among the various programs provided by public welfare.

Latest figures show a total of 3,375 cases in the county on the aid to dependent children program—in all but a few instances, children of mothers who have been deserted, divorced, or widowed by their husbands. Aid to the disabled accounts for 1,880 cases, aid to the blind for 152. General assistance is the program including a block of cases not eligible for aid under other programs, which are financed by Federal matching funds, and its 2,535 recipients constitute what Administrator Gilbertson calls “the hard core of real poverty.”

Again, misconceptions have been common about the kinds of people making up public welfare roles.

“The turnover is startling,” said Gilbertson. “The great majority of cases stay with us only a short time and although we do have a nucleus where there is a lot of criticism generated, it is very small in contrast. All our ADC program studies, for example, show that the average length of stay is less than 2 years. Some show almost 100-percent turnover in a year’s time. A lot come for temporary help, and then make their own arrangements and get off.”

At the same time, the number of welfare cases does not begin to exhaust the reservoir of hard-core poverty.

“Our standards are pretty low,” Gilbertson concedes. “We get only the people who have reached rockbottom need.”

The assistance they receive from welfare, he adds, enables them to remain on a bare subsistence level.

“The budget provided us through legislative action does not enable us to meet even our own standards,” Gilbertson stated.

A frequently overlooked group among the borderline poor constitutes one of the least recognizable worlds of poverty. It includes self-supporting workingwomen, most of them living in the State’s larger cities, more than half of them in Portland.

The economic circumstances of an estimated 36,000 self-supporting workingwomen are revealed in a report prepared by the State bureau of labor from a survey of Portland and seven smaller cities made in 1959, showed them receiving a statewide average monthly wage at that time of \$272.80—as against an average monthly expenditure almost \$7 greater.

The survey found 20 percent of workingwomen earning less than \$200 a month, some 40 percent less than \$250. For some, it concluded, the “present average (living standard) is close to the emergency level.”

The largest group of workingwomen—40 percent—are over 45 years old. Ninety percent of all of them were self-supporting and some 25 percent have dependents. In some of the lowest paid classifications—clerical workers, for example, averaging \$276.80 a month, 85 percent were entirely self-supporting.

Among the worst paid were clerical workers—particularly in finance, insurance, and real estate—service workers and saleswomen. Low income, according to the survey, is partly a matter of prejudice, partly of “an equally biased concept of (a woman) being merely a supplementary wage earner.” In addition, “their urgent need to earn directs them toward the occupational areas of the least resistance where the women who need the earnings most, get the least.”

Low pay, especially in the retail trade field, is largely due to absence of union organization. Lowell C. Ashbaugh, secretary of the Retail Clerks International Portland local, concedes that his union has been unsuccessful in trying to organize workers in Portland’s larger department and national chain variety stores. Whereas union scale for general variety store work is \$1.72 an hour, many nonunion store clerks are receiving as little as the State minimum wage of \$1 base pay, with no paid health, welfare, or other fringe benefits.

“These women are basically either young or old,” Ashbaugh said. “They are kids out of high school, or older women who first went into the retail trade field when they could get a little more money in relation to the price structure. Both groups are afraid to sign a bargaining contract because of the difficulty they’d have if they had to find jobs elsewhere.”

“You run into a lot of social problems,” he added. “It is impossible for a woman to live on \$1.05 an hour unless two or three girls share an apartment together—which is often an unhealthy situation. I have seen some young girls here go into stores, then get hard up and end up in prostitution.”

The Labor Bureau’s 1959 report is not quite as specific, but reaches similar conclusions, in referring as a group to waitresses, also among the lowest paid of women workers.

“The survey has shown that in numerous instances young divorced mothers with small children to support are employed as ‘carhops,’ or as waitresses and barmaids in eating and drinking places.

“The late working hours, the young age of the supporting mother, her low wage—all these tend to create a situation which can hardly be described as conducive to the wholesome upbringing of her children.”

In the geography of poverty nationally, one of the basic units is the farm. The farm is sometimes the initial source of urban poverty, as more and more farmers and farmworkers, under impact of increasing automation and declining smaller farms, seek what seems to be a better life in the cities.

The farm itself is often the center of endemic poverty—nationally, estimates figure that poverty is the lot of some 8 million people who live in rural areas.

M. D. Thomas, of the extension agricultural service at Oregon State University, states that “Oregon follows national trends in agriculture—migration from the farms to cities, the transition from smaller to larger farms.

“Our problems are not nearly as acute as in the Appalachians, but we certainly have them.”

Thomas’ department has compiled these statistical evidences reflecting farm and rural poverty in Oregon:

In 1959, 16.4 percent of all farm families, and 11.4 percent of rural nonfarm families, received incomes of less than \$2,000.

Farmers and farm managers received a median income of \$3,092 for the census year,



with 48.6 percent receiving less than \$3,000; 75 percent of farm laborers received less than \$3,000, with a group median of \$1,489.

Twelve percent of Oregon farms were less than 10 acres; and 30 percent of all commercial farms in the State took in less than \$5,000 from sale of produce; "in addition, many of Oregon's 19,700 part-time farmers had relatively low income."

Farm poverty in Oregon is increasingly related to automation.

"There are no more farm jobs for the old-style farmhands—men who were willing and able workers, but often easy going and none too bright," observed R.C.A. Moore. "Today, the farmhand has to know how to run machines, how to handle a tractor."

Corbett pointed out that some harvest crops in the State have now become almost 100 percent mechanized. He said his committee has found that many rural areas—and particularly eastern Oregon in general—have been "exporting their young people."

"They graduate from high school and go on to college or to look for work in the cities," he said. "Often, they don't come back."

Rural poverty is often a more squalid matter than poverty in the cities. Again, an index is provided by census statistics.

Twenty percent of rural nonfarm families, and 17 percent on farms, lived in deteriorating houses, many lacking some or most plumbing facilities.

Twelve percent of farms were without automobiles, 15 percent without telephones, 35 percent without home freezers—all virtual necessities of country living.

One further measure of declining opportunities in Oregon agriculture: More than half of all farm operators in 1959 worked off the farm as well, either by choice or necessity, 43 percent for 100 days or more.

"John Gladstone," at the age of 65, has perhaps 10 more years to look forward to. Sometimes, he finds it difficult to look forward with much eagerness. He can expect to spend the rest of his days living in the most dire form of poverty.

It was nearing the end of the month as Gladstone gestured around the cupboard-sized hotel room in which he lives. It was cluttered with the relics of days past—crumpled snapshots of old friends, some pictures of animals torn from magazines. In a corner was an electric hot-plate, with an empty coffee pot.

Next to it was a wrapper of sweet rolls and a box of crackers—all he would be able to afford until his social security check came in next week's mail.

Gladstone is a man who is still in fairly good health, still in control of his faculties. He lived what would be called a rather ordinary life—a series of semiskilled and unskilled jobs until he suddenly found himself too old to work 10 or so years past, a wife who died shortly afterward, no children. He had put a little money in the bank during his working days, but it has long since drained away. He lives now on a social security payment of \$75 a month.

No one knows, for certain, how many of the elderly population in Portland, and the rest of Oregon, live like Gladstone, or only slightly better. It is certain that this area of poverty is one that cries out most loudly for some form of solution.

Portland, with some 93,000 people 65 years or older living in the area, has one of the highest percentages of elderly persons in the country. Less than one-third of Portland men over 65 remain members of the labor force.

Figures compiled by Portland's social security office show some 79,000 beneficiaries in the area the office services. For every 1,000 persons over 62 in Oregon, 709 draw some form of social security—sixth highest figure in the Nation.

Their average monthly payment—statewide—amounts to \$80, somewhat over a

\$76.53 national figure. But like unemployment compensation, "the program is not based on need at all," in the words of Howard Larson, of the Portland office's division of program analysis.

The figures are not very revealing. They do not show, for example, how many social security recipients have savings to supplement payments—or how many don't. Theoretically, a recipient can earn up to \$1,200 a year and continue to receive payments—but Hanson says few people of social security age continue to work.

Beneficiaries with highest total earnings from past jobs receive the highest benefits, which range from \$32 to \$127 a month. Some of the most hard-pressed older people are able to qualify for assistance from State public welfare—3,956 cases are currently registered on old-age assistance roles, receiving either their only source of income, or enough to make the difference between social security payments and their minimum personal needs.

Although qualifying standards are low, older people on welfare are sometimes ironically better off than those who are not.

"Those on welfare are at least assured they'll be taken care of in case of an emergency—welfare will help pay hospital bills," Larson observed. "Maybe 20 percent of social security recipients are really up against it—a number larger than those receiving old-age assistance. In many ways, they are actually worse off."

The tragic circumstances of many older people are best described by social workers.

One described a caseload of 12 older men living in a hotel on Portland's skidrow, averaging \$75 a month on social security benefits. Their monthly checks are sent directly to the hotel manager—who immediately deducts \$30 a month rent, often doles out the remainder \$1 or \$2 at a time to some of the men who drink. There were some complaints about the practice. The manager defended it by telling of one man who had been "rolled" for the rest of his social security check 5 minutes after he cashed it.

A Sister of social service who works in an area heavily concentrated by older people—both men and women—described their situation.

"They live in little holes that they call home," she said. "It is certainly a long way from the social principles embodied in the encyclicals of Pope John."

#### SERIES ON POVERTY—PART II

For many, poverty is an absolute. For most of the poor, at least in Oregon, poverty is relative.

It is relative, however, not to the Joneses, with their two family cars, but to basic community standards. They are standards which current education, no less than the teachings of religion, increasingly uphold as fundamental rights in a society dedicated to material, as well as spiritual, advancement, to democratic principles of equal opportunity and social justice.

In drawing up a modest, but adequate budget for a working man's family of four, the U.S. Department of Labor in 1960 defined some of these standards. Beyond an expenditure of more than half for needed food, rent, and utilities, the Department earmarked other funds "required to maintain \* \* \* prevailing standards of what is needed for health, efficiency, the nurture of children and for participation in social and community activities."

Still other standards—or rights—are implied: The right of the workingman to hold his job, the right of his family to live in a modest, but adequate neighborhood, to wear modest, but adequate clothes, of the children to receive an adequate education.

The great number of Oregon families who fall short of these standards—and of single

individuals who fail to come anywhere near standards of their own—are being short-changed of even the most basic of these rights. Lack of money, and the limited education that usually accompanies it, stand as a stonewall which blocks equal access to avenues of community service and self-improvement for the very people who stand in greatest need of such help. These and other social handicaps constitute a built-in inequality of opportunity for the poor who do find their way into the framework of such services.

Many of the tax-supported services in Oregon struggle along on inadequate financial footings, the burden falling often on counties or smaller units which are least able to afford the bill. Other services often are geared only to those who live on—and are willing to admit to—a level of rockbottom destitution.

In countless ways, Oregon's poor are paying in their everyday lives the high cost of poverty, a cost made up of the manifold effects, byproducts and, sometimes the causes, of being poor. This cost is also borne indirectly—if often begrudgingly, and frequently inadequate—by even the wealthiest of Oregon citizens.

From notes collected through interviews with authorities in half a dozen fields, you get a broad outline of some of the items which go into forming this "cost of poverty" in Oregon:

Education: "Worst of all, the poverty of the fathers is visited upon the children," the President's Council of Economic Advisors concluded in its January report.

Lack of education and poverty go hand in hand, reinforcing one another and creating a self-perpetuating condition from which neither a higher income nor more intensive education can alone provide an assured means of escape.

A committee studying racial aspects of the Portland school system has found that low motivation, lack of interest, are not restricted to Negro students in the low socio-economic areas where ghetto living patterns force most of them to live. A citywide study, completed early last year, found grade schools reporting the highest proportion of students having problems of all kinds—learning, attendance, health, etc.—to be identical with the city's lowest income strata areas.<sup>1</sup>

Dr. Richard Boyd, who is heading a study of high school dropouts for the Portland district, says preliminary conclusions show low family income to rank high among various factors creating the dropout problem. Most officials contend Oregon's dropout rate ranks rather low in national standings, although Boyd points out that national studies indicate 85 percent of high school dropouts arise from families in which neither parent completed high school. Median number of school years completed by all Oregon adults is 11.8, meaning that more than half of the State's population over 25 years old has never completed high school. This is also true for heads of Oregon families.

State Superintendent of Schools Leon P. Minear emphasized problems arising from the numbers of small schools in often hard-pressed rural Oregon areas.

"The per pupil cost of education is approximately twice as much in smaller schools," he said. "In the 25 high schools in the State with less than 50 students, the dropout rate is as high as 66 percent—against a rate of 20 percent in larger schools."

<sup>1</sup> These ranged from Whitman and Woodmore schools where 18.7 percent of students were reported as having problems, to a high of 41.7 percent at Couch school. Schools in between included Vestal, Brooklyn, Glencoe, Abernathy, Astor, Boise, Highland, Richmond, Eliot, and Peninsula.



"Students in high schools 250 or more in size have roughly twice the chance of winning scholarships as students in the 110 schools in the State which number less than that. There is also a relationship to the grades that students get in universities."

**Family life:** Katherine Clark, director of Portland's Family Counseling Services, says that factors related to low income weigh heavily among problems that bring families to the verge of breakup who come to the agency for help. She cites problems connected with fathers and husbands whom low income compels to take a second job, others involving adolescent children in low income families, and the "appallingly low income" of many older people the agency helps on a preventative basis. Other authorities point out that family breakup—with ensuing alimony and support payments, and on the other side, frequent failure to receive these payments—can also be a major source of poverty.

**Crime:** An officer in the chief's office of the Portland Police Department will tell you that "no one in this city is forced to steal out of want or need," and he cited the work of the department's Sunshine division in giving year-round help to destitute and needy families. The department does not maintain statistics on income, he added, "because no correlation has been shown that would make such statistics worthwhile."

Other authorities, however, base judgment on a somewhat broader standard. Circuit Court Judge Virgil Langtry says that the great majority of criminal cases which have come before him have been low-income people.

"Almost every burglary case you ever get will have a court appointed lawyer," he said. "This is also mostly true of armed robbery."

**Delinquency:** A study of more than 1,600 delinquent boys conducted under the Multnomah County Metropolitan Youth Commission in 1960 showed the highest rates of delinquency stemming almost without exception from the city's lowest socioeconomic areas. James Dudley, of the county juvenile court, emphasizes the number of factors involved in creating delinquency, but says that you get the general impression of a number of people you see sweating it out on very small incomes.

**The administration of justice:** "There is no justice for the poor, period," a Portland attorney says flatly. He was emphasizing the fact that in civil cases, the poor usually are guilty—of not having the money needed to stave off garnishment or repossession.

Judge Langtry said there is some justification for the charge, also, in the realm of criminal law.

"The court is not able to appoint the 20 best lawyers in town every month to defend the 200 or so people who are charged with crime," he said. "And I assure anyone that a good attorney is a great help in any court procedure."

**Public health:** Dr. Samuel B. Osgood, director of local services for the Oregon Board of Health, says "there is no doubt that people in lower income groups are inclined to go without preventive health services, and even postpone treatment."

He pointed out that only 17 of Oregon's 36 counties have full-time public health departments, and observes that "Oregon is one of only seven other States which don't provide some direct State financial aid to various county health programs."

**Hospitalization:** "There are comparatively few charity hospitals in the State," said Dr. Osgood. "Public welfare agencies will pay a part of hospital costs and the aged who are not directly on welfare can get medical assistance under the Kerr-Mills Act."

He adds: "I would say a significant segment of the population falls into a category of need, while still not wanting to go on welfare."

Dr. F. Sydney Hansen, Multnomah County physician and head of the county health division, points out that any residents of the county who are "medically indigent" can receive service at the county hospital.

"There are agreements with private hospitals in some other communities," he said. "In most counties, you either have to be on welfare or you don't get service. You can stand in the hospital lobby and ask for service. They should give it, or they lose their eleemosynary (relating or devoted to charity) status."

Such a brief itemization of the "cost of poverty" provides only a superficial account of problems which exist in the various fields, and really no idea at all of the cost in human terms. For this story, it is necessary to look further into each of these subjects.

Howard Hanson is coordinator of a special program initiated 3 years ago at Jefferson High School, with an enrollment of 2,200 students, one of Portland's largest, and, with a 25-percent Negro population, described as "in an area that is undergoing sociological transition due to an accelerated influx of disadvantaged persons."

Hanson says: "You usually can't tell children from poor families by the clothes they wear. The families may be on welfare, but the kids will go out in the summer and pick beans so they get the standard clothes. They may be deprived of food at home. Many are from broken homes."

"What are the toughest problems? It's hard to say unless you're a child in such a situation. It may be inability to afford adequate clothes, medical or dental care. There is usually self-consciousness. They may be laughed at or ridiculed. They grow weary of this and wonder 'what's the use?'"

"Their self-image is very poor," said Hanson. "They are not retarded, but unmotivated. The home situation does not provide an adequate image for them to see any future for themselves, as far as society is concerned. Some get in trouble and are expelled, while others drop out."

The problem is compounded, said Hanson, "when a lot of teachers will see a situation where they think a student can learn less, so he is taught less."

The Jefferson project, described by Portland school officials as coming closest to any program of going into problem students' homes, employs a staff of five full- and part-time social workers and counselors. Along with home visits—largely to families of potential dropouts—the project includes individual and group counseling.

Hanson notes some success with the project, but observes that "the problem begins in grade school. The children start identifying there. They have no preschool background—The parents don't speak well, the home has no books or good magazines. Because the children have limited vocabulary, they score relatively low on intelligence tests. The problem merely accelerates from year to year."

Dr. Victor Doherty, of the Portland school district's research division, concedes lower achievement levels in grade schools of low socioeconomic areas.

"They are differences to be expected," he said. "Deficiencies in social and cultural deprivation can't be made up solely by instruction."

The Portland school district, he notes, provides a host of special child services, from services for the mentally retarded to the physically handicapped. In addition, social workers are employed on a rotating basis, serving at half the district schools for 2 or 3 years, servicing the rest by telephone.

"Some grade school principals have begun to think along the lines of setting up programs that will go more intensively into the homes," he said.

A further need: "We need teachers who have demonstrated they can work with these children successfully, to train other teachers for the work. Special training programs for this purpose are being established in the East. A similar program could be run by the Portland district, perhaps as an in-service training program."

The self-image a student has arose again in speaking with Dr. Richard Boyd, who said national studies had shown it to be "possibly the biggest in a list of highly related factors creating high school dropouts."

In his exploratory study, Boyd and others interviewed a total of 285 former students who had dropped out of two Portland high schools "where the rate is fairly high"—students whom the survey traced from their entering year, and who had dropped out anywhere short of graduation.

What are they doing now? "Some have worked awhile, some have married and have children, some have attended night school or are thinking of reentering college. Fifty percent of 121 girl dropouts were for reasons of pregnancy—mostly unmarried—and some returned to school after birth of the child. Others have no intention of working and are collecting their own welfare checks."

"In general, you know that most of them are up against it," said Boyd. "A number said they had tried and couldn't find a job without a diploma. You get an idea about the others from the list of the jobs they have had—busboy, dishwasher, car washer, janitor, babysitter, trimming lawns—which they sometimes call landscaping. None of these has any future at all—unless you get to be a carwash manager. And even here, a person is handicapped without a high school diploma."

All of these educational problems carry over into smaller cities and, more severely, to rural areas, where a country high school English teacher summed up the motivational problem: "How are you going to interest them in Homer, when the only Homer they know is Homer and Jethro?"

The problem is compounded when low motivation and a culturally deprived home background often coincide with school districts which are in a financial squeeze.

Again, the resources available in different communities vary widely. There are 17 mental health clinics in Oregon, for example, all working through county health officers.

Again, Dr. Minear stressed the problems of smaller Oregon schools.

"The State has an equalization fund to help balance the cost between rich and poor school districts, but that does not offset the problem," he said. "For example, a school in a metropolitan area may spend as little as \$400 a year for an elementary student, while some rural areas pay as high as \$1,200 a year."

"The difference is only partly met by State equalization sources. Usually, it puts a heavier burden on the local property owner. Areas that can't afford to make up this difference have to pay a teacher less, or hire a less qualified one. There is a great turnover among rural teachers, and a great difference in general quality between larger and smaller schools."

Minear emphasized the relevance of rural school problems to Oregon cities.

"We are no different in regard to rural decline than other States," he said. "One out of every two persons born on the farm is going to have to migrate to metropolitan Oregon to make a living. Urban areas must be concerned with education in rural sections of the State."

"We need more funds to help necessarily existing rural schools."

"We need to combine other schools into larger and effective administrative and educational units. During the First World War, there were 25,000 school districts in Oregon."



Today there are 445. We should have about 200."

Joseph G. Calistro, executive director of Catholic Family Services, tells of what happened to one family with four children after the husband and father had been for 2 years without work.

"The kids were having troubles in school," he said. "The husband and wife were hardly speaking to each other except to quarrel. They asked for help—but what they really needed was a job."

The link between low income and marital or family problems is not always so clear cut. As in the case of poverty and education, it can be difficult to sift cause from effect.

Katharine Clark points out that Family Counseling Service frequently receives pleas for help from families in moderate income brackets, while a husband and wife on low income "can weather this sort of thing if both are fairly strong—you wonder where some find the strength."

"We do see cases where the husband is employed at a very low wage, others where he has lost his job," she said. "In a sense, it's money that starts the thing. Sometimes the wife can get a job. But she then takes over the role of breadwinner, which doesn't help the husband's morale any. The kids are left home, with the husband supposedly looking after them."

"Meanwhile, the squabbles mount, the frustration and the bitterness. The accusations begin: 'You're no man, or you could support your family.'"

"Even in a family where the husband and wife share good relationship, lack of money has its definite effect on children—particularly in adolescence, when it's normal to have to be like everybody else."

Miss Clark pointed to one striking aspect of the sociology of poverty—the inability for the most poor to be "reached," except in the most desperate circumstances, or by the more compulsory agents of society, such as the school system.

"We do not see a great many low-income families, and I think it is so that very often they are the least likely to avail themselves of available services," she said. "For those who are also uneducated, I think our kind of service may be a little too sophisticated and out of reach—we do work by appointment, and the people come to call here."

"We don't know yet how to get down and get closer to them."

The law is the most compulsory agent of society, and it sometimes has less trouble reaching the poor than in avoiding them.

They are reached most frequently by Oregon laws governing credit—among the strongest in the country, on the side of the creditor, and, according to some, a prime cause, as well as a concomitant, of poverty.

A Portland Catholic attorney, who says almost half of his practice is on a free or reduced payment basis to low-income people, becomes indignant on this subject.

"Poor people can get very good legal advice in any claim where money is involved," he said. "The answer is not more legal aid. Their real problem is not having money and jobs—if they did, they wouldn't be in the office. The only thing you can do for most of them is to file bankruptcy."

"A lot of the people you find who are out of work have lost their jobs as a result of continuous garnishments," he adds. "Often, these garnishments come from doctors and hospitals—including Catholic hospitals."

"Oregon has one of the strongest credit laws in the world to protect the creditor," he stated. "Unlike most States, it provides for attachment at the same time as applying for suit. Many States have larger exemptions from garnishment. Creditors in Oregon can garnish all the way up to \$300 a month—so what has a person got left to live on?"

David Turtledove, head of the Creditors' Protective Association, is equally outspoken on abuses of the credit system.

"Some States don't allow garnishments, or they exempt a larger amount," he said. He pointed to a corresponding laxity in provisions for the extension of credit and regulation of interest rates.

"Most advertising seems to stress terms, rather than the quality of merchandise," Turtledove said. "It is sometimes amusing to apply a little arithmetic to the classified ads in the Sunday paper."

"In Oregon, and in many other States, a 3-percent monthly interest rate is legal for small loan companies—which in Oregon today are thicker than poppa-momma grocery stores used to be," he said. "All department stores and oil companies apply a service charge—which is ostensibly not interest, but at 1½ percent a month, is higher than the legal interest rate."

"I personally think that interest rates should be stated straightly and unequivocally. The public has no lobby. And many people are ignorant of elementary arithmetic."

Criminal law touches the lives of the poor somewhat less frequently—but still to a greater extent than people of adequate means. It reaches also into the lives of their children.

In its study on juvenile delinquency in the Portland area, the Multnomah County youth commission found no perfect correlation between delinquency rates and income areas. However, only 1 of 24 census tracts reporting a high rate of juvenile offenses listed a family median income of more than \$6,000.

The study listed four major "types of delinquency areas."

Northwest Portland—characterized by "very low amount of family life" and "lower income figures \* \* \* explained by the fact that this area serves as a residential locus for unattached, working females."

Northeast Portland—where there is a "high proportion of Negro residents. This is a low economic area, as indicated both by low educational attainment (9) and low income (\$4,190 median)."

Southeast sections—"almost totally white," and tending "to be a low economic area. There tends to be a good deal of family life here \* \* \* higher than average home ownership \* \* \*"

The delinquency is "strictly white delinquency, and two-thirds of these offenders are referred for 'serious' offenses—e.g., auto theft, burglary, and other theft."

The fourth classification was for "middle-class delinquency areas"—where rates tended to be "relatively low" but "hardly to be considered insignificant."

The link between delinquency and low income, with its attendant low education and other factors, also seems to be borne out in early findings of the Lane County youth project. Studying 748 families in Junction City, Oakridge, and southern Eugene from which at least one child had been reported to the juvenile court between 1960-62, it found that 406 of the families had received service from at least 1 social agency in the area. Project analysts point out that this figure probably does not exhaust the area of "economic deprivation."

At least in the Portland area, the Multnomah County Legal Aid Commission heads the list of legal avenues that are open to the poor in their frequent contacts with society's laws.

The commission charges a \$1 filing fee—which may be waived—and determines who is eligible for free legal advice, donated by a panel of volunteer attorneys.

Like most of the services presently provided for the poor, legal aid fills competently

a necessary function—but primarily, only on the level of basic destitution.

In the words of one attorney, "Legal aid does a good job for the absolutely destitute. But the average guy isn't this bad off. And nobody likes to say he has no money."

He elaborated on the challenge which the poor present to the normally responsible professional person in areas of basic public service.

"Most attorneys make an effort to carry at least a 10 percent load of work for free or at reduced fees as part of our service to the bar," he said. "But there is a limit to what any of us can do—we have to pay the rent, too."

"Many of the poor just don't bother to seek legal advice," he added. "They should know, for example, that the time they need a lawyer most is when they first get picked up for an offense, rather than waiting for the court to appoint counsel. But the poor usually think they can get further by cooperating."

"And anyone—but especially the poor—should have a periodic legal checkup, just as you have an annual physical examination. A person running a family has the same problems that someone running a big department store does, and he needs the same legal advice."

One fundamental problem: "Court appointed counsel is usually competent," this attorney said. "But most people up on criminal offenses have a history. And what can a lawyer do for a guy who robbed a bank?"

This opinion of the level of competence of court appointed attorneys is not universally shared.

"Younger, less experienced attorneys and those with less active practices make up the majority of the list of those chosen to defend indigents," Judge Langtry said. "Some aren't very good. On the other hand, all have passed the State bar examination."

"I'm quite willing to concede that generally the indigent or a person afflicted with poverty does not have the same opportunity to beat a valid charge against him as a well off person does," he added. "On the other hand, I can't see that society has the obligation to provide a person charged with crime the opportunity to buy the same kind of advice that others can."

"Society is obligated to give him a level of defense that is decent and conforming to standards."

It was late last Friday afternoon, and officials of the Multnomah County Health Division discussed the possible implications of a story they had just seen in the afternoon newspaper as they sipped coffee in the agency's education office. It told of a tentative proposal, already preliminarily approved by a Governor's committee studying the subject, to reduce State welfare payments for medical services to a level limiting hospital costs to 6 days a year and surgery to life-saving and reduction of severe pain."

Mrs. Julia Sheldon, director of nurses, raised a question whether this might mean elimination of payments for tuberculosis patients needing dentures.

"It's been hard for them to get dentures before, and possibly they won't be able to at all now," she said, pointing out the importance of proper diet in control of the disease.

John Graham, health educator, pointed to the additional burden welfare medical cost cuts will likely place on Oregon private doctors, hospitals, and druggists.

"I wonder," he said, "if they would reduce food allotments to \$5 a month and expect grocers to provide the rest that was needed out of their pockets?"

Such questions connected with the State welfare program cover only one aspect of the problems which arise when human suffering



is expected to confine itself to limits arbitrarily established by a budget. Even on its current prorated basis, in which doctors, hospitals and druggists have been receiving from state welfare funds only about two-thirds of the fee payments due to them for services to welfare recipients, Oregon's total welfare program is exceeded by programs in both Washington and California. Complaints from druggists early this year resulted in appointment of the special committee now studying welfare medical costs. The committee and the Oregon State Medical Association are currently reported in basic agreement that the prorated system should be abolished and replaced by a paid-in-full policy for all vendors, based on "what the State can actually afford."

Local public health officials describe a somewhat larger group of persons defined as "medically indigent"—including most persons on welfare, but also others who support themselves at a level of basic need.

The "medically indigent" form a major proportion of persons who receive help through public health programs, although these services are available to anyone.

These programs are basically preventive, concerned with diagnosis and control of communicable diseases, as well as sanitation control and health education. They perform a significant service to low-income people through casefinding, immunization, bedside programs for teaching patients self-care; in the mental health division, through child guidance and family counseling programs, referrals, follow-up services to patients dismissed from State hospitals.

Such services, however, "vary widely in quantity and variety," according to Dr. Osgood, who serves as coordinator for local health services throughout the State.

"They are financed basically by the county, with a tiny amount of Federal funds to assist, and no direct State aid," he said. "Some of the poorer counties can't afford good programs. All our local health departments are understaffed. Legislation has been proposed to provide State aid several times, but it has always been defeated."

Mental health services, where they exist, are on a sounder footing, although public health officials are concerned about a change in wording in legislation that established the program.

Said Dr. Hansen: "Originally, the law stated the State would pay 50 percent of whatever the counties expended. But now, this has been changed to read 'up to 50 percent.'"

The scope of the problem that faces the poor who are in need of other basic kinds of medical care is best defined by the services which tax-supported public health programs do not provide.

"Basically, the only treatment we do is in the control of communicable diseases," said Graham of the Multnomah County health division. "We do some work with people suffering with chronic diseases—health supervision, rehabilitative training.

"We do not dispense medicines or write prescriptions. And essentially, we do not treat."

The poor person approaching a clinic or hospital for treatment or medicine faces what is sometimes called an "eligibility" rating, and, more precisely, a "needs test." Patients are then accepted as "charity" cases, or at scaled-down rates.

Said one observer: "It is not surprising that low income people are inclined to ignore checkups, neglect preventive care and even delay treatment." Another factor: "They are afraid a checkup might find something wrong with them," Mrs. Sheldon said. "They would have to face the prospect of perhaps having to lose time from work and pay for treatment."

Several authorities point out that, outside Multnomah County, the poor with severe

mental illness are in one sense better off than those needing hospital care for physical reasons—unless it is tuberculosis.

"The State maintains three hospitals for the mentally ill, which provide treatment without pay to those in need," said Dr. Osgood. "There are tax-supported programs for some physical disabilities and the State maintains the TB hospital—although it has only about 100 patients."

Multnomah is the only county in the State having a hospital that provides tax-supported general medical and surgical services for acute care—a caseload amounting to some 8,000 a year. The medically indigent from other parts of the State can be referred to the outpatient clinic of Portland's University of Oregon Medical School.

"County hospitals" in other areas of the State, in the words of one official, "amount to little more than nursing homes."

Several authorities point out the burden which the necessity of relying on a private hospital's own conception of its "eleemosynary" responsibility carries not only for the patient in need of help, but for the hospital itself.

Says Dr. Osgood: "One of the problems in the State is that hospitals generally make their charges rather uniform to all individuals who come in. They suffer financially from those who don't pay a bill—even welfare doesn't pay the full price."

Private doctors and druggists, like lawyers, must also pay this price to justify their professional responsibilities.

Authorities in the field of public health respond with irony to the question of what services a greater supply of funds might enable them to provide.

John Graham pointed out that one great aid to those with lower income and in Multnomah County, in the area of preventive dental care would be passage of a bill—up for vote on the May ballot—for fluoridation of water.

You find other answers to the more serious problem of equalizing and assuring provisions for treatment and medicine to people who can't afford them and don't want to "stand in the hospital lobby and ask for service."

Said Dr. Osgood: "There is a need for some kind of subsidy for hospital care, to take the burden off the hospitals. Health insurance seems to be one of the best approaches, although some individuals would need financial assistance, too, in getting this insurance."

He added this more general opinion: "Oregon's problems are not as severe as some States, and our economic level is on the whole reasonably good."

"But in recent years we haven't really been keeping pace in economic standing with other States. From running close to average with the 50 States, I would say we are now running slightly behind. This position is reflected in the problems that public health programs—and many other services—now face."

#### SERIES ON POVERTY—PART III

What causes poverty, and how can the war on poverty be fought?

Answers range from the complex and scholarly to the over-simplified and the bizarre.

Late last year, for example, Mrs. Fred J. Tooze, president of the Women's Christian Temperance Union, noted at that group's national convention that the estimated 6 million alcoholics in the country exceeded by 1½ million the 4½ million people "estimated out of work by the Department of Labor because of automation or recession." She went on to distill the obvious conclusion.

Another widely publicized theory was, of course, advanced in January by Arizona Senator BARRY GOLDWATER. Speaking at New York's Economic Club, he concluded that people were poor for the same reasons they

are uneducated—"low intelligence or low ambition"—thus, more or less handily disposing of the problem, with the inference that its source lies primarily in natural conditions that are neither worthy of much sympathy nor subject to great change.

In its statement on poverty issued last week, the Social Action Department of the National Catholic Welfare Conference came closest to answers that are accepted by most authorities.

It distinguished between two classes of the poor, placing in the first group people whose poverty stems from personal conditions that cannot readily be changed—the aged, many of the handicapped, mothers who are the sole support of young children.

The second group comprises those who are poor largely because of external conditions that prevent them from earning a living. They include the uneducated and unskilled, victims of racial discrimination, farmers without adequate resources and training, many unemployed persons over 40 years of age, residents of areas with declining industries.

Oregon shares in common with other States a representative number of the poor belonging to the former group—a greater number, in fact, compared with many other areas, of such members of this group as the elderly. They constitute the basically helpless portion of the poor, presenting a moral problem which requires immediate remedial action along basic health and welfare lines—in the words of the social action department, "help given in a way that fully respects their human dignity."

Victims of some other forms of poverty require action that is more social than economic—an end to all forms of discrimination for Negroes and other minority group members; rehabilitation programs for alcoholics, the mentally ill and physically handicapped, second- and third-generation welfare cases.

In the long run, even such special cases of poverty will most benefit only through a "war" that is leveled against poverty as a whole, and directed toward increasing the general level of prosperity and broadening its base. Its strategies are, in many cases, the same strategies that will also become increasingly necessary to combat such potential sources of new poverty as automation and mechanization, and their form is essentially economic and political.

"Oregon," in the words of one observer, "feels recession less in a period of general recession, and less of the prosperity in a period of general prosperity."

Oregonians who felt, and in some cases continue to feel, the impact of the 1958-60 recession, might tend to dispute the former proposition, but the latter contention is confirmed by figures and many informed authorities. Oregon is often described as the "average" State, and this is supported by most national indexes.

At the same time, however, Oregon has failed to participate fully in the boom which, in the last decade, has swept over the rest of the west coast. It has failed to reach the levels of neighboring West Coast States, even after this boom period showed some signs of faltering and leveling off.

A representative index is provided by comparative figures for gross average weekly earnings of production workers in the three States over a 10-year period. In 1952, Oregon topped the list with a \$79.56 weekly average, compared to \$76.16 for Washington, \$75.85 for California. By 1962, these positions were reversed, California leading with \$112, Washington workers averaging \$110.71, and Oregon lagging with \$103.22.

R. C. A. Moore, executive secretary of a legislative interim committee studying technological unemployment, points to other reasons why remaining average may eventually mean running behind.



"Wage earners are migrating to other States," he said. "Oregon shows a much higher percentage of people under 18 or over 64. Many areas having the lowest employment rates now have the highest rates of tax-supported people."

"Oregon has been doing its share in relation to the rest of the country," he added. "But industry throughout the entire country has not been growing fast enough, and if we keep doing our share, we'll just come out in the middle."

The committee, he said, has estimated Oregon must attract about 400 new jobs every week "only in order to keep up."

"I doubt," said Moore, "if we're doing a third of that."

Spokesmen on both sides of political and economic fences seem in basic agreement that the problems facing the economy of Oregon—and of the Nation generally—arise from three basic factors:

A steady expansion in the industrial labor force, due to increasing numbers of youths annually entering the labor market and the continuing exodus of persons to the cities from the farms;

A simultaneous shrinkage of some job markets, arising from increasing automation and mechanization in both industry and agriculture;

The fact that many of the persons now entering the labor market possess educational and skill levels commensurate only to those jobs which are declining, and are inadequately equipped to fill the new technical and other positions which automation and mechanization are opening up.

Oregon political spokesmen seem also to agree basically on general long-range solutions—creation of new jobs through development of industrial growth, and education of a work force qualified to fill these jobs—although they differ in emphasis and in particulars.

Attorney General Robert Thornton, Democratic candidate for Governor in the 1962 election, cited a need for "continued and increasing training and retraining programs," but he stresses the need for Oregon to attract new industry.

"To be competitive, we've got to be as aggressive as other States," he said. "We should attract new industry, while at the same time doing as much for the local tax-paying industries. We should not give away more than is necessary to get new industries, and we must compete according to the constitution, or by a vote of the people. But we should submit squarely to the people the question of whether Oregon is going to spend money and be aggressive in attracting new industry here."

Thornton emphasized low-cost industrial power as a major selling point in bargaining for new industry.

"Despite all the publicity, we are losing industry to Washington because of its lower cost of industrial power," he stated, citing plants which had located in Vancouver, Calama, and Tacoma after having first considered Oregon sites.

"When International Paper opened its plant in Reedsport, it was considered so important that the Governor dedicated it twice," he added. "What wasn't written in the papers was that the plant had looked about the State for a couple of sites. It finally went to Reedsport so it could get power from the South Lincoln PUD at Bonneville rates.

"Power costs, dealing with large industries, can spell the difference," he said. "You can see where private power companies compete with PUD's they are quite competitive, but where they have it to themselves, the rates go up. This is, of course, consistent with our system. But at the same time, we are being severely handicapped in competition with Washington."

Other Thornton recommendations:

"I've proposed establishment of a general export promotion division in the department of planning and development," he said. "This would be one measure for helping existing industries."

"We should submit the issue to the people of setting up an industrial development authority. It could be similar to Alaska's, for example, where the public is empowered to issue bonds, to make actual loans, furnish financial assistance to corporations and sometimes furnish low-cost sites."

Gov. Mark O. Hatfield referred to notes for a speech he delivered last week to the Moms' and Dads' Club at the Sandy Union High School, in which he stated that the "crucial strength—or weakness—of our war on poverty" will be provided by the schools.

"One of the major elements of the program of my administration has been the effort we have been making to expand and diversify Oregon's economy," he stated. "Intertwined with my concern for economic development has been my concern for our educational development."

Citing progress made by the United States in "providing a standard of living that is unequaled," the Governor stated, "it is a matter of real regret that not all Americans and not all Oregonians share in it.

"No amount of attention to the pluses on our social ledger can disguise the fact that we need to be involved in the war on poverty. If poverty can be prevented, this must be our primary objective. We must, of course, provide assistance to those in need but, as I have repeatedly said of our welfare program, we must seek always those methods which will replace dependence with independence wherever possible \* \* \* and assure that the weapons system for this war will be chosen from the arsenal of economy rather than from what someone has called the arsenal of bureaucracy."

Governor Hatfield cited various factors creating poverty, but quoted the economic research department of the Chase Manhattan Bank in stating that "overwhelmingly \* \* \* we can see a sharp relationship between lack of education and low income.

"It is obvious that the major element of our attack on poverty must be to provide the kinds of education that will help to erase the educational gap through which low income so regularly makes its appearance," he said. He called for:

"Retraining opportunities for those displaced by automation that are: realistic, in terms of actual need; easily available; and with industry having a role and responsibility.

"A modernized curriculum in our public schools, keeping pace with rapid technological change (and) adequate to the needs of the A student, but focused on the long-term needs of the average (and below average) student, whose needs are now frequently missed (as is witnessed by the dropout problem."

Elements from both of these forces in the war on poverty are presently being studied by the interim committee on technological unemployment. This is headed by State Senator Don Willner, who admits the group has drawn criticism for "trying to scoop out an ocean with a spoon."

He said the committee has marked off three major areas for possible new legislation:

A means for coordinating economic information and predicting needs and changes in the State's work force and labor market.

"We presently have no knowledge of just who is in the work force, no adequate skill surveys," said Willner. There is no State agency primarily responsible for predicting labor resources and future needs, when a plant is going to close down. This won't solve anything, but it is an important first

step. We have to be able to better predict what the work force is going to be, by industry, geographical area and occupation group, 5 years from now.

Manpower development and training. "Vocational training in Oregon and in the Nation is many years behind the times," he said. "It consists largely of agriculture, home economics, and some fairly esoteric skills such as cabinetmaking, for which there is no longer a demand.

"We must make vocational training respectable," he added. "It probably has to be integrated more into the regular curriculum—not many areas in the State can support a separate vocational school.

"There is the question of how we can train workers for apprenticeships. There are now only 1,700 in apprenticeship training in the entire State—a number that is very small."

Financing? "We are exploring to see if part of the program could be financed by unemployment compensation funds," said Willner. "Now, a person drawing unemployment can't receive many kinds of training, as he is interpreted as being unavailable for work. This is silly, to spend 26 weeks looking for a job that doesn't exist."

Creation of new technological employment. "We are not creating in Oregon enough new industrial jobs," Willner stated. "We need to find what help the State can give to local communities. Some have done a good job in promoting industrial development, while others have not."

Willner adds: "We are not going to solve these problems as a separate State. We are certainly not isolated from what is happening in the rest of the Nation, and the real decisions will obviously be made elsewhere."

These words were virtually echoed by Thomas Scanlon, research and education director of the Oregon AFL-CIO, who added "most of our employment in Oregon is by national or international concerns. I just don't see a solution on the State level."

Scanlon listed these elements in organized labor's war on poverty at a statewide level in Oregon:

Minimum wage. "We've tried for a number of years to get a \$1 general minimum wage law, with a 40-hour week," said Scanlon. The only minimum wage standard now in existence, he explained, applies solely to women and minors, and is set at various levels in different industries by the State department of labor.

"Although the legislature has been ostensibly controlled by liberals, we haven't been able to get the bill out of committee," he said. "Last year we didn't push it too hard," he added. "One of our problems is that we've had so many other problems with the legislature that we have to give certain of them top priority."

Unemployment compensation: "Our big problem here is that too many people look upon the system as a welfare system," said Scanlon. "But it is strictly an insurance system, supported by a tax on payrolls. In a State like Oregon, which is so dependent on the lumber industry and much seasonal work, unemployment compensation is the only thing supporting those areas.

"We're behind in this State, largely because employers, years ago through experience ratings were able to keep the payroll tax rates low. During the recession, the fund dropped further and a 2.7 percent tax which was then placed across the board on all payrolls has still not yet built the fund back up."

Union organization: "The poor are basically the unrepresented," Scanlon said. "Our biggest problem is lower paid people in industries where employer groups want nothing done about minimum wage standards or other standards in their industries. In every session of the legislature, groups attempt to secure more restrictive legislation. Legislation has been passed already specifically re-



stricting organization of farmworkers. The labor elections law is another example of restrictive legislation."

These considerations get close to the core of basic philosophical differences which exist in the choice of means for waging the war on poverty—differences most sharply joined on the national level in positions stated respectively by spokesmen for management and organized labor.

In November of last year, for example, Dr. Emerson P. Schmidt, chief economist for the U.S. Chamber of Commerce, conceded that "unemployment is our most serious and stubborn domestic problem." He said continuance of the situation might create further threats of additional government interference to business.

Minimum wage laws price many workers out of the job market, he said, and he called for such remedial measures as lower corporate tax rates, more liberal tax depreciation policies and more controls on organized labor.

This is, of course, a restatement of what was once termed the "trickle-down" school of economic thought, in which whatever benefited business was thought automatically to benefit the worker.

It is basically opposed by labor and many other spokesmen who fear that the law of gravity might not apply as universally; and with the same speed, to profits as it does to water. At a national level, the AFL-CIO endorses credit policies and certain other measures to help stimulate business investment, but it also seeks a more equitable distribution of existing jobs and resources. It has called for extending minimum wage standards, a 35-hour workweek, a boost in overtime pay and other Government sanctioned measures to spread more evenly existing employment.

Both positions only partially reflect, and draw suggestions from, two broader schools of economic thought, one holding that unemployment is primarily the result of "structural changes" in the economy—automation, farm displacement, the population boom—the other that its primary source is inadequate consumer demand.

The former school was reflected most strongly in testimony given by experts in October to a Senate Labor and Public Welfare Committee studying the problem. A Michigan State professor, Charles C. Killingsworth, for example, stated that the tax cut bill (passed last week) would cut unemployment by 1 percent at most. Other experts stressed the need for Federal programs to aid education at all levels.

Authorities were reported almost unanimously agreed that individual States, industries and unions were not big enough to do the required job without some Federal help.

Retreating from such areas of major controversy, it is probably most instructive to examine the war on poverty as it is already being waged in Oregon, through programs based on the two broad concepts upon which most spokesmen are basically agreed: Planned industrial development, and education geared toward realistic job potentials.

#### SERIES ON POVERTY—PART IV

Governor Hatfield has described McMinnville, in words repeated in a chamber of commerce brochure, as "Oregon's pace-setter city in industrial development."

This claim is symbolized in a cluster of new industrial plants which overlook the valley pastureland from an industrial park site on the edge of the city. It is reflected further in other new plants distributed throughout the town, in scattered construction sites, in a general atmosphere of civic confidence and well-being.

There is an unexpected degree of activity in the McMinnville Chamber of Commerce office, where its manager, A.T. "Pete" Beall

describes the record of the McMinnville Industrial Promotions Corp., of which he is secretary-treasurer.

The corporation was first formed in 1953, when the economic outlook for the city was vastly different than it is now.

"The lumber business was moving out of the area," said Beall. "Some mills had exhausted timber resources, while others were absorbed by larger mills. Between 1950 and 1953, the number of mills had dropped from 132 to 32. In 1950, total county employment was approximately 5,000, with 2,100 of that number in lumber. The number in the lumber industry dropped to approximately 700 in the same 3-year period."

The McMinnville corporation was first formed in June of 1953, by 28 business leaders, each of whom put up a \$1,000. By September, the corporation had brought its first new plant to the area—Archway Cookies, which constructed a 5,000-square-foot building for a \$70,000 local investment, now employs 46 workers with an annual payroll of \$340,000.

The corporation, originally begun as a nonprofit group, launched a public stock drive in 1955, raising some \$245,000 from 50 local stockholders at a par value of \$25 a share. It subsequently purchased a 47-acre industrial park site and constructed the first plant there, for a mobile home firm now employing 190 people.

The 10-year scorecard for the McMinnville corporation shows creation of 620 new jobs, with an \$8,000 daily payroll resulting from 7 new industries and a \$1,770,000 local investment between 1953-63. County employment remains at about 5,000, Beall said, but with only 700 now in lumber. He pointed out that the 10-year span had also covered the peak period of agricultural mechanization in the area.

Basic elements in this "success story:"

"We are actually a real estate holding company," said Beall. "We purchase a site, and then we can offer a set per-acre price to a plant wanting to come in. We will construct the building, and lease it on a monthly rental with an option to buy at any time."

Power is a factor, he added. "The city owns its own municipal power, and the rates are about as cheap as any in the Northwest."

"Basically speaking," he concluded, "the biggest factor is attitude. Prospective industries can see that the general attitude of the town is friendly toward new industry. Through the enthusiasm that has been generated, individuals have also banded together to finance other businesses, independently of the corporation."

The Federal Small Business Administration has participated up to 80 percent of financing for new building, but in all other respects the McMinnville plan has held to principles that even the most hard core conservative would approve.

"Our 540 shareholders constitute 540 salesmen," said Beall. "Ninety percent of our prospects come from contacts with local business people. We work with the State on a coordinating basis. But I feel these projects should be carried out by local people."

Recruitment of workers, aside from key personnel brought in with the industries has been primarily from the local community, Beall said. "There have been no real training problems," he said. "A company making X-ray tubes, for example, has hired a number of local housewives and trained them to be expert glassblowers."

Corporation members visit an average of one community a month that is interested in the program, advising them, in effect, how they can organize to compete with McMinnville.

"We don't feel the competition is bad," said Beall. "If we can create a strong industrial atmosphere in the Northwest, it

will be an asset for us. I would like to see the same setup in every town."

The McMinnville approach is, of course, the chamber of commerce approach. Its success depends not only on a booster spirit, but on various factors less subject to control—location, climate, a degree of preexisting money, and other resources. Not all Oregon communities are so fortunate to permit the same setup, and only the least fortunate are eligible for Federal assistance under the Area Redevelopment Administration, based on the first bill of the Kennedy administration aimed at combating poverty and economic decline.

Yamhill County as a whole is one of eight areas in Oregon currently designated as an area of "substantial and persistent unemployment" eligible to receive aid under the act and, says Thomas Curran, of the ARA's Portland office, "the problem in the McMinnville area is getting the benefits out of the rest of the county."

Under ARA legislation, the Federal Government is empowered to provide low-cost long-term loans to private industry to establish or expand in development areas, loans, and grants for new or expanded public facilities needed to encourage industries, technical assistance to communities for exploring means to expand economic growth, and worker retraining, with subsistence payments to jobless workers during the retraining period.

In addition to economic need, the ARA program is also based on community action, Curran pointed out. "An area is required to organize a representative committee to examine its own economy, resources, needs, and draw up an overall economic development program. On a loan, the community—or, in some places, the State—puts up 10 percent of the total cost. We can then loan up to 65 percent, with the balance coming from private sources."

The goal of all ARA programs: "Permanent and more or less immediate new employment," said Curran. "New employment," he noted, "carries with it a strict prohibition for Federal funds to be used in any ARA program to assist industry in relocating from one area to another, with consequent loss of employment elsewhere."

So far in Oregon, loans, grants, or technical assistance is either pending or authorized under the ARA program for projects in six counties and the Warm Springs Indian Reservation, with a project in one other county described as "in limbo."

Loan projects range from a \$250,000 application, that would expand a whaling and bottom fish processing plant in Clatsop County (creating an estimated 57 new jobs) to a \$1,306,000 loan already authorized to modernize and put back in business the formerly defunct Josephine Plywood Co. (creating 300 to 400 jobs in Josephine County and northern California).

Technical assistance projects so far authorized, and expected to benefit various redevelopment areas, include a forest resources utilization study, expected to indicate expansion opportunities for all of northwest Oregon; a market survey for hardwood, which will also include parts of Washington; a small boat harbor development study, to include Lincoln, Clatsop, Columbia, and Hood River, Wasco, and Sherman Counties; a feasibility study for automated feed lots in Wasco and Sherman Counties; and a recently authorized Pacific Northwest ski study, regionwide, but expected to be of value toward developing potential ski areas in Hood River County.

Described by Curran as the "biggest success story" of ARA in Oregon so far is a \$959,599 grant made to Oregon State University for establishing its marine fishery and oceanography research laboratory at Newport, a project expected to create some 200 jobs just at the beginning.



One of the "in limbo" projects, on the other hand, illustrates some of the snags which the ARA program has run up against: A loan sought by a redevelopment committee in Yamhill County has been approved for building a municipal sewage and water system for Yamhill City, on the basis of keeping a frozen food plant from leaving the area.

"But now they are going to move anyway," said Curran.

Total scorecard to date for some 3 years of ARA activity in Oregon: Loans and grants amounting to \$3,010,390 toward an aggregate cost of \$4,138,650 (this ratio weighted by the OSU grant), and 960 jobs in the offing, "as a conservative estimate," in places where they are needed most. Technical assistance has totaled another \$86,550, and \$8,427 has gone into an ARA training program.

An intangible addition: "Local committees formed under the ARA program in each area have also been at work on several projects, which may or may not need ARA," said Curran. "And the impetus provided by such initial stimuli as the OSU lab in Newport has generated further activity in the entire area."

Between the local approach, as illustrated by McMinnville, and the various ARA programs, the State department of planning and development steers a middle course in pushing economic development. Unlike ARA and local groups, it is empowered to function statewide. It is also, however, essentially a service agency with, in the words of John Denny, the Department's public relations representative, "no money to hand out."

Activities of the department cover a wide range of services, including promotion, field services which work with existing industries and local development groups, a research department which collects economic data and also conducts special resource and market studies for prospective new industries.

Such studies are on a comparative basis when two or more sites are being seriously considered, and when a site includes Washington, studies include the controversial differences in power costs and tax structure between the two States, said Denny.

"These factors will vary by industry, and by location," he said.

"An industry in Oregon using Bonneville power, of course, buys at the same price no matter where it locates. If they select high value land, close to Portland, it is going to cost more than a pasture in some rural areas.

"Tax comparisons vary according to many factors, one being the margin of profit," he added. "Oregon taxes net income, while Washington taxes gross income. So if an industry is based on low margin and high volume, they're better off here."

Success of these State activities since they were first organized into a department in 1958?

"It's hard to measure," said Denny. "In the 5-year period, Oregon's growth rate, as measured by gains in employment, has been better than the national average. Unemployment rates have been consistently below the national average. As a rough figure, there has been \$75 million invested in plants and expansions annually."

Development and redevelopment in agriculture pose somewhat different problems and involve less an expansion than an easing of the continuing transition from farm to town and an attempt to reorganize as efficient agricultural units farmland that remains.

"Oregon is having the same problems in agriculture as other States," said Robert Pierce, director of the Farmers Home Administration Portland office. "The credit requirements and capital it takes to stay in agriculture have increased approximately sevenfold since 1948, and is continuing to rise. At the same time, involvement of most capital in farm activities brings with it a sudden death risk that didn't exist in

the days of limited capital. A crop or price failure can put an operator out of business overnight."

The Farmers Home Administration makes long-term, low-cost loans available as "supplementary credit" for the operation and purchase of family-sized farms, to individuals and groups for water development and soil conservation, to local organizations for watershed protection, to farm and non-farm owners in rural areas for housing. Insured loans are available to finance housing for farm laborers and rural "senior citizens."

These loans amounted to some \$9 million in rural Oregon last year, spread among approximately 2,000 individual borrowers and domestic water associations that serve about 4,500 additional people, Pierce said.

"Probably 10 percent of our loans reached what you might call a hard core poverty group," he said. "Supervisory assistance—counseling in money, farm and family management—reached substantially more."

Legislation passed in 1961 enabling the agency to provide loans to part-time farmers "increased our capacity to serve low-income groups," Pierce said. He pointed out that Oregon's declining farm population has created not so much a "Grapes of Wrath" mass migration, but a group of "commuting" part-time farmers, with small farm acreages tending to go over to "rural living."

"We are able to serve those in low-income groups by supplementing their regular sources of family income and providing better living standards by way of improving homes," Pierce said.

For those who remain on the farm, the agency is providing loans to "recombine and put adequate resources of land and capital together with adequate families to provide the most successful farm operation," he added.

Basic problems for those remaining, or attempting to enter, agriculture:

"All of rural America needs basically more profit at the farm gate," Pierce stated. "This is going to depend upon having adequate prices and orderly production to maintain them. For this, there must be some control—either producer or government-oriented."

"There is no relationship today between agricultural value and land prices," he said. "You can't pay for land with what you can grow on it, in a reasonable time, and a newcomer just can't afford to buy in. The average age of today's farm operators indicates that in the next 10 years there will be a substantial turnover on the farm. It will challenge every credit instrument we have now."

Pierce, who describes himself as a "New Frontiersman from Malheur County," advanced some solutions which he said "could have substantial impact, especially in eastern Oregon."

"The 1961 Congress approved as an eligible loan the purchase of private land by private associations," he said. "We are just beginning to work on this in Oregon, but it has great possibilities. Multiple purchase and management by groups of ranchers may become the only way an individual or family can buy into large private acreage."

He foresees a similar possibility for the use of public lands.

"We need to improve the use of public range lands through greater participation by private individuals," Pierce said. "We may be enabled to make loans for public lands through a usage arrangement acceptable to cattlemen, sportsmen, and the custodians of public lands."

Planned development, whether in agriculture or industry, has its critics, who charge it both with going too far or not far enough. Some think that ARA has proceeded too slowly, although, Curran notes, "basically we are completely dependent on action at the community level. We can only do what

people make it possible to do, and can't create a great, immediate dramatic impact."

Others point out that counterparts of the planning and development department in some other States are enabled to put up the 10 percent community-or-State share required for ARA loans. In some States, communities are enabled under State law to issue bonds to finance new industries. But, Denny points out, "the administration and the legislature have never advocated this business of 'buying industries.'"

Further snags exist. Officials in both ARA and local development programs, for example, point to a sort of reverse Parkinson's law arising from publicity that accompanies the "boom psychology" of a community launching an expansion drive: It brings more people to the area, often before any ground has been broken.

But planned development, in various forms, seems certain to remain, and become increasingly aggressive. As Denny points out, "We are in competition with 49 other States." An ARA brochure lists an estimated 14,000 private and public organizations now in the business of trying to lure new industry.

Efforts in Oregon aimed at the second side of the antipoverty coin—specialized worker education—have so far lacked the impact and momentum of development activity. This is partly because of weaknesses in other areas of the educational system, partly because educators have not yet decided what directions vocational and other specialized education should take, nor has the State decided how far to go in supporting it.

Primarily, it seems due to the fact that education is the cart behind the industrial development horse—in the words of Thomas Scanlon, "the big problem is lack of employment opportunity."

Most of these problems are illustrated by activity in Oregon, so far, under the Federal Manpower Development and Training Act, passed by Congress in 1962. The act authorizes State employment services to select unemployed and underemployed workers, members of low income families, and youths in need of occupational training and further schooling for school or on-the-job training in fields "in which there are employment opportunities."

Training courses are then set up in schools by the State department of education or, in the case of on-the-job programs, by public agencies or private labor, industrial or other community groups. Trainees receive training allowances of varying sizes, for the unemployed, generally the average of payments of State unemployment compensation.

A visitor to Portland's community college finds it impossible to minimize the value of the fact that 60 formerly unemployed women of all ages who are now taking Manpower Development and Training Act courses there will within a few months be making their own livings as insurance specialists and stenographers needed by local business firms.

A "characteristics tabulation" made of 280 male and 73 female trainees enrolled statewide under the Manpower Development and Training Act program as of June 1963 points up further the program's merits: Of the 280 men, 198 were listed as heads of households with a total of 549 dependents; 19 of the women were responsible for 39 dependents. Thirty-one men and six women had been welfare recipients. The majority in both groups had spent from 3 to 9 years in the labor force, before going without work from 5 to 14 weeks prior to entering training programs.

Current figures show a total of 792 trainees, who have taken training in 9 Oregon cities that ranged from a 1-week course for chambermaids in Portland, to 52-week forester aid training courses in Eugene, Astoria, Bend, and North Bend.



Most critics of the program's results thus far are among the strongest supporters of its basic goals—they are concerned about what may happen to it by July of next year, when the State will be required to pay for one-third of the program, now financed wholly through Federal money for unemployed persons, 50 percent for others.

But they point out that its utility is hampered not only by lack of employment opportunities but by lack of research. Peter Chaney, who administers the Manpower Development and Training Act in the Portland State Employment Office, confirms that the office becomes aware of need for various forms of occupational training "mainly by inability to fill orders for employers in certain occupational groups. We found need for insurance specialists and clerk stenographers when we received offers for which he had no applicants to send out."

Need for occupational training, under the Manpower Development and Training Act, is defined to include "prospective," as well as present need for trained workers, as discovered through checking with employers. During coming months, a skill survey is scheduled to be carried on among Oregon employers, but until this is completed, Manpower Development and Training Act efforts will likely remain confined to such limits of "present need."

More serious, built-in weaknesses in the Manpower Development and Training Act program are pointed to by Nathan Nickerson, of the Portland Urban League.

"All our projections, even locally, indicate a future shortage of technicians, top-grade mechanics, machinists," he said. "You don't train them through manpower development acts. It takes apprenticeship and a sustained period of time."

"The program also gives heavy consideration to its youth section, which includes many dropouts and others without sufficient education," he added. "It cannot basically make up for deficiencies in grade and high school education."

Oregon's present efforts in providing vocational education, at both the secondary and community college levels, escape some of these weaknesses, but at the same time they incur others.

All vocational schools at the community college level, for example, conduct both 1- and 2-year programs, time enough for Portland community college to list such courses in the vocational-technical section of its catalog as civil and structural, highway and electronic engineering technology, electronic communications, drafting.

On the other hand, Al Ringo, of the State vocational education division in Salem, points out that some 60 percent of high school graduates are not now going on to college and that current vocational training in the State "takes care of about 10 percent of this group."

Ringo pointed out that community colleges have been among those to suffer most from budget cuts required when last year's tax referendum failed to pass.

"Some communities have voted their own bond issues for community college programs, and no State money was available for reimbursement," he said.

Perhaps a more basic factor: Tuition costs, at the Portland Community College's technology division set at \$60 a term for full-time students, from \$60 to \$90 at the State's seven other existing community colleges and technical-vocational schools.

Several complex issues surround the matter of streamlining current education to coincide with future needs. One upon which authorities are almost unanimously agreed is need for a graduate center in the Portland area.

In the words of John Denny, a graduate center "would do two things—upgrade the caliber of the people who are here now, an

upgrading that is necessary with the state of technical arts moving so fast. It would also enhance our ability to attract research-oriented industries, which seek a climate that is dedicated to research."

Many of these most basic issues, however, must be attacked elsewhere, in the view of most authorities—in primary and secondary education, and in the culturally deprived home.

Ringo places at least one issue in its philosophical perspective.

"Philosophically, we in the United States have traditionally believed in free education from grade 1 through 12," he said. "But with vocational schools the general feeling has been that the student should pay his own way. This was understandable when he could be expected to be making good money shortly after he got out, and often held a part-time job while attending classes. It may seem less valid now."

"Other States—California for example—now provide free education at a community college level. But there is resistance to this idea in Oregon."

There is resistance to many ideas in Oregon, and it raises the question of the degree to which economic and educational development are going to keep pace with expanding need. As in answers to the questions about what causes poverty, one finds a variety of opinion regarding future prospects of Oregon's economic position.

At year's end, for example, a Portland newspaper carried a report of its annual interview with the State's leading businessmen and industrialists, who predicted that 1964 would be a year of growth and prosperity. Their major reason for this view: A feeling of confidence, based on such varied factors as foreign trade promotion projects in the timber industry, diversification in wood products, accelerated tourist development programs.

Many men-on-the-street, while declining forecasts, will affirm, in the words of one, "Oregon has never had any booms, but we've never had any busts either. We don't have any big defense contracts to lose, or any big factories to get automated or closed down."

Critics of this view might be more inclined to agree with Robert Thornton, who says:

"That's sort of a sour grapes attitude. We want jobs and payrolls. If we spend a little money and keep in touch with our congressional representation, a certain amount of defense industry will come our way. The fact that certain jobs may eventually be phased out should not be too great a concern—it has happened ever since the days that buggy whips were phased out."

Said one observer, more concisely: "It is like saying Oregon is lucky because there is nothing here for anything to happen to."

John Denny lists several promising Oregon prospects; the potential of Boeing's full development of the Boardman rocket test site; likelihood of extensive offshore oil drilling with which geologists are pretty optimistic; possibility for iron reduction work at the mouth of the Columbia River; continued growth in pulp, paper, and particle-board industries, byproducts from forest industries and food processing.

He also outlines Oregon's most likely future course.

"We have been making steady growth, above the national average," he said. "There has been no California boom—probably a lot of Oregonians wouldn't want a California boom. We can look forward, I think, to a continuation of this, probably somewhat accelerated."

Nathan Nickerson, on the other hand, offers some idea of what this course might mean if such acceleration falls short of accelerating needs.

"We do not have enough employment opportunities in the area to take care of all those needing jobs," he said. "And aside

from government—which people hate to see—I don't know how we're going to take care of this great number of people."

Mr. DON H. CLAUSEN. Mr. Chairman, this is the third day of debate in the House of Representatives on the so-called antipoverty bill. After hearing this debate, I can only say that this measure is a cruel hoax against our truly impoverished people and a thinly disguised effort of this administration to buy back the South and clinch the big city vote.

If every Member of this House were to step back and take a long look at this bill they would see that, basically, this measure is a confession. It is an admission that the \$25 billion a year now being spent to fight poverty is not doing the job.

This \$25 billion a year is being spent on a number of programs, some of which are good and some of which obviously are bad. The policy committees of the House should study these programs, decide which ones are not working and stop squandering money on them. This should be the first step to prepare for a new attack against poverty.

The second step should be to analyze the problems of poverty and their causes and propose a program aimed at curing it, not simply to soothe or postpone it as this bill does. This proposed package program costing nearly \$1 billion a year cannot solve the problem for a number of reasons:

First. It provides for a Job Corps of volunteers, similar to the old CCC camps, which would take young men out of the labor market and put them in conservation camps for up to 2 years. Then they would return with no new skills. This simply postpones their efforts to make their own place in the world.

Second. It would permit work training programs for unemployed youth of both sexes under which the Federal Government would pay almost all of the cost to hire them to work in local hospitals, parks, playgrounds, and so forth. The work training under such a program would be minimal and questionable, and again it would be only postponing their entry into the normal labor market, still unequipped to be fully productive. I have discussed this matter with some union officials who sincerely believe the program will jeopardize their apprenticeship programs.

Third. One-third of the total cost would go into community action programs in such fields as health, education, and job training. This Congress already has approved the Vocational Education Act of 1963 which provides \$450 million to expand and improve job training courses in our high schools. It also has approved a major increase in the Manpower Retraining Act to prepare unemployed workers for new jobs. I supported both of these programs, and neither has been put into full effect. The same union officials suggest there is a real lack of ambition and initiative on the part of many workers they are attempting to train.

It should be pointed out further that Mr. Shriver, who is designated to head this program, if it should be created by



Congress, has opposed restrictions on the allocations of the funds to the various States. It is clear that unless the funds are allocated to the States according to their population, rate of unemployment, and other pertinent factors, the funds may be apportioned according to the wishes of the bureaucrats handling them. Large shares could be given to certain States for political campaign reasons, for instance, rather than based on the extent of poverty therein. This is a very dangerous precedent in furthering the establishment of a spoils system.

Everyone knows that poverty exists. I question whether the total approaches 40 million persons, as the administration suggests, because many people in the low-income group own their homes and have savings accounts. These could not be called impoverished. It is indeed unfortunate that this legislation has become so politically partisan. Many of the recommendations of the Republican minority would have strengthened the bill immeasurably.

Also, I question the administration's statement that the gates of opportunity have been closed to one-fifth of our people. I still believe that the gates of opportunity are wide open to every American who exerts his energies and talents.

Poverty exists in the dregs of the great depression—in those families and areas left behind when our Nation generally moved ahead into an era of great prosperity. For these people, vocational education and retraining still is the answer as it was for the rest of the Nation. I have said before and I say again that this type of education is the sound base for our high economic level.

Men who have been replaced by machines and unprepared youths who have dropped out of school must be trained in needed skills by vocational training and manpower retraining. I will continue to support these concepts.

Our youth must be enticed and encouraged to finish high school and attain a higher education. I will support proper proposals to permit all of our students to get a college education if they have the ambition—whether it be long-term loans, tax credits, scholarships or other means.

Poverty exists among some of our elderly citizens whose income is inadequate, whose savings dollar has shrunk because of Government deficit spending policies or whose pension checks are too low—all victims of the inflationary spiral caused by irresponsible Federal spending policies.

I supported the recent 5-percent increase in social security payments voted by the House and I will support further studies and any further needed increases they indicate.

In giving consideration to the problems of our senior citizens, I believe a change in the social security law that would permit the recipients to earn more than the \$1,200 per annum for those who receive less than the maximum payment. Through no fault of their own, many people either entered the social security program late or were unable to earn enough to permit their receiving the

full maximum payment. It would be my recommendation to allow recipients to earn an amount over and above the \$1,200 equal to the difference between the monthly payment they now receive and the maximum allowable under current social security law. As an example, if a man and his wife were receiving a social security payment of \$149.70 per month they would be allowed to earn an additional \$65.40 thereby providing this couple with a total of \$215.10 per month, which is the maximum payment for a recipient who qualifies as "fully insured" under the law. This would be a great boost to the people trapped in this circumstance.

I believe this is the type of assistance that would be of greatest benefit to our senior citizens and deserves our early attention. Many of the counties of my district have adopted resolutions and forwarded them to me in support of this recommendation.

It is questionable whether time is available, this close to adjournment, to advance legislation of this type; but it will be a priority item in my legislative recommendations for next year. I will urge my colleagues to give this matter very careful consideration because it would provide a tremendous financial boost to a well-deserving group of citizens.

Mr. RANDALL. Mr. Chairman, I rise in support of the Economic Opportunity Act of 1964. It can best be described as a humane bill. We do not claim that it is a perfect bill. No bill is perfect, and in a bill that is so comprehensive there are bound to be changes that must be made in future years as the programs are tested. I repeat, it is not perfect, but it is a start in the right direction.

The antipoverty bill is humane because it makes provision for helping those people in our urban and rural areas who have not had the chance to share in the \$600 billion per year prosperity which the majority of our people enjoy. Members on both sides of the aisle are agreed that there are too many people in our country whose incomes are too low to provide the basic necessities in our age of prosperity. There are too many unemployed, too many undereducated, too many underfed and underclothed people in our beloved country to allow the size of our gross national product to blind us to these existing conditions.

Take the case of my own district in Missouri. Despite high agricultural and industrial production, and despite a comparatively low-unemployment rate, there are many people who stand to benefit and ought to benefit by the programs under H.R. 11377. Six of the eight counties in my district have over 30 percent of their families subsisting on less than \$3,000 per year. In three of those six counties, over 40 percent of the families are living on less than \$3,000.

Mr. Chairman, I have lived in my district all my life. I know the good people who live there. They are not lazy. They are not people who refuse to work. But many of them do not receive their fair share of our national wealth.

There is one more fact about those six counties I should mention. They are heavily rural. They depend upon agri-

culture as the hub of their economy. And yet, Mr. Chairman, the number of farmers has been dropping rapidly. With fewer farms, and little expectation of a reasonable income the young people of our counties are leaving the farms almost as fast as they become mature. And many leave without any skill with which to enter the job market in the cities.

The need is clearly great in both our urban and rural areas, and the provisions of this bill provide a humane means, within the structures of our free-enterprise economy, to give the underprivileged in our Nation a chance to participate in what our President has described as the great society.

Mr. Chairman, it is also not only humane but it makes sense to pass anti-poverty legislation. Many of the problems which have grown with the years are largely caused or greatly increased by poverty. The increase in crime, juvenile delinquency, school dropouts, unemployment, high relief payments, and the high divorce rate are all increased because there are too many people who have not had the chance to improve their situation. These poor people are in a position similar to that of the man who owes \$12,000 on his house, has lost his job because a machine can do it faster, and now must work for subsistence wages. No matter how hard that man works he will not be able to pay off that debt and get a fresh start. The provisions of this bill will help the people, who like this man, have not had the chance to improve their own situation.

Some people have called this bill a billion-dollar handout. This is not a handout bill. It is designed to reduce welfare payments, aid to dependent children, and unemployment compensation, not by brutally cutting them off, but by making them unnecessary. This fulfills a principle of good government that, when a government considers a humane program, it must also consider the practical results. An eminently practical man who knows what it means to work has said:

If we can raise the average earnings of 10 million people among the poor by only \$1,000, we will have added \$14 billion a year to our national output. In addition we can make important reductions in public assistance payments which now cost us \$4 billion a year, and the large costs of fighting crime and delinquency, disease, and hunger.

That quotation comes from the President's message to Congress and the American people on the antipoverty bill. If the bill is implemented properly, the \$947 million it calls for will be an investment, not a handout.

I have supported all strengthening amendments that were offered. I introduced one such amendment that was adopted. But, Mr. Chairman, the bill is far from perfect.

One problem which concerns me is the lack of safeguards to protect the funds under title II from being distributed disproportionately to urban areas, thereby leaving the rural areas without sufficient funding. To protect the rural areas I offered an amendment which added a seventh criteria to section 210 to correct that weakness.



Another question which we raised is the need for a new agency in our already large Federal bureaucracy. President Johnson has made great gains in cutting down on such growth. The Federal Government now employs less people than at any time since the Korean war, according to a recent news article. But, do we need a separate Office of Economic Opportunity? On balance, the argument for the need for coordination to cut down waste and duplication seems to justify its creation this year. We hope and we intend to see that it succeeds in accomplishing its goals. We will insist it does a good job, or for our part, we will not support future appropriations.

Will the administration of these programs be wise and efficient? We shall be very interested in the work of the OEO the next time they ask us for further moneys or authorizations.

Mr. Chairman, when all these pros and cons are added up I must support this bill. The situation which this bill attempts to begin to solve cannot be ignored any longer. It has been swept under the rug too long, and the wages of neglect are too high. I still have my questions, Mr. Chairman, but as Franklin Delano Roosevelt said nearly 30 years ago:

Governments can err, President do make mistakes, but the immortal Dante tells us that divine justice weighs the sins of the coldblooded and the sins of the warm hearted in a different scale. Better the occasional faults of a government living in the spirit of charity than the consistent omissions of a government frozen in the ice of its own indifference.

The CHAIRMAN. All time has expired for debate on the amendments.

Mr. GOODELL. Mr. Chairman, a parliamentary inquiry. I was standing on my feet when the original time limitation was made. There are others here who were standing on their feet. Everybody had 2 minutes. Do I understand now, since time has elapsed, that we are prevented from even taking the 2 minutes?

The CHAIRMAN. The Chair will state that the Committee voted to close all debate at 6:30 and that most of the time was taken up by the ordering of teller votes. There were many Members who did not get to be recognized who were standing on their feet.

AMENDMENT OFFERED BY MR. BELL

Mr. BELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BELL: Strike out the first two sentences of section 107 (a) and insert in lieu thereof the following: "No officer or employee of the Executive Branch of the Federal Government shall make any inquiry or take any action with respect to any disclosure concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps, except as to such membership in political parties or organizations as constitute by law a disqualification for Government employment."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BELL] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The question was taken, and the Chair announced that the noes appeared to have it.

Mr. JOHANSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BELL and Mr. LANDRUM.

The Committee divided, and the tellers reported that there were—ayes 119, noes 152.

So the amendment to the amendment was rejected.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. My inquiry, Mr. Chairman, is this: After the substitute is voted on and if it is adopted would it be in order for someone or anyone, any Member, to offer a motion to strike out the enacting clause?

The CHAIRMAN (Mr. RAINS). The Chair replies that it would not be because the stage of amending the bill would have passed.

Mr. HALLECK. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. As I remember the unanimous-consent request it was that debate on the pending amendment, which is the Landrum substitute, and all amendments and substitutes thereto, close at 6:30. I did not take it that that would foreclose the consideration of a motion to strike out the enacting clause after the amendment in the nature of a substitute had been disposed of.

The CHAIRMAN. The Chair will state that if the Landrum amendment is adopted it will foreclose the opportunity to offer a motion to strike out the enacting clause because the stage for amendment would then be passed.

Mr. HALLECK. Then, Mr. Chairman, under the rules of the House there would be no way by which I could arrange for any time to speak on this matter?

The CHAIRMAN. Except by unanimous consent.

The Chair recognizes the gentlewoman from Oregon [Mrs. GREEN].

AMENDMENT OFFERED BY MRS. GREEN OF OREGON

Mrs. GREEN of Oregon. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon to the amendment offered by Mr. LANDRUM: In title III, section 302(a), on page 41, line 15, strike out the words "loans of not to exceed \$1,500 to low-income rural families" and insert the following: "Loans having a maximum maturity of 15 years and in amounts not exceeding \$2,500 in the aggregate to any low-income rural family."

And, on page 42, line 3, add the word "or". And on page 42, delete lines 4 through 6.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon [Mrs. GREEN].

The question was taken; and on a division (demanded by Mr. LANDRUM) there were—ayes 110, noes 102.

Mr. GROSS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. GREEN of Oregon and Mr. BELL.

The Committee again divided, and the tellers reported that there were—ayes 150, noes 132.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. PIKE

Mr. PIKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PIKE to the amendment offered by Mr. LANDRUM: On page 42, line 2, after the word "equipment" insert the following: "Provided, That no such loan shall be made to any such family which in the preceding growing year had as its principal crop a crop which is included in any Federal price support program and who received price support payments for such crop."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. PIKE] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The amendment to the amendment was rejected.

Mr. PIKE. Mr. Chairman, I do not ask for tellers.

AMENDMENT OFFERED BY MR. GRIFFIN

Mr. GRIFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN to the amendment offered by Mr. LANDRUM: Strike out the words "private, nonprofit organizations other than a political party" wherever they appear and insert in lieu thereof the following: "Private, nonprofit organizations other than a political party or any other organization which receives or utilizes any funds for the purpose of influencing the outcome of any election to a public office or to influence the enactment or defeat of any legislation in the Congress of the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. GRIFFIN] to the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The question was taken; and on a division (demanded by Mr. GRIFFIN), there were—ayes 87, noes 131.

So the amendment to the amendment was rejected.

AMENDMENT OFFERED BY MR. WAGGONER

Mr. WAGGONER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAGGONER to the amendment offered by Mr. LANDRUM: On page 3, line 5, section 103, after the word "agency" strike out "or private organization".

On page 3, line 25, strike out the word "may" and insert the word "shall".

On page 4, line 2, after the word "technical" add the word "industrial".

On line 4, strike the words "substantially equivalent" and insert the word "satisfactory".

On page 4, line 20, after the word "are" insert the words "citizens and".

On page 4, line 24, after the period insert the words "All enrollees and participants shall be required to take a loyalty oath to the United States".

On page 10, line 24, after the word "agencies" strike out the words "and private nonprofit organizations".



On page 11, line 9, after the word "agencies" strike out the words "and private nonprofit organizations".

On page 11, line 22, strike out the first two words "either (A)" and on page 11, line 23, change the comma after the word "projects" to a period and strike the remainder of the paragraph.

On page 13, line 19, section 114, after the word "are" insert the words "citizens and".

After the period on page 13, line 23, insert the words "All enrollees and participants shall be required to take a loyalty oath to the United States".

On page 14, line 7, after the word "agencies" insert a period and strike the remaining words of line 7.

On page 18, line 1, section 124, after the word "public" on line 1 strike out the words "or private nonprofit organization" and insert the word "agency".

On line 3, after the word "an" strike out the word "organization" and insert the word "agency".

On page 19, lines 3 and 4, after the word "public" strike the words "or nonprofit organizations" and insert the word "agencies".

The CHAIRMAN. The question is on the amendment of the gentleman from Louisiana [Mr. WAGGONER] to the amendment of the gentleman from Georgia [Mr. LANDRUM].

Mr. GROSS. Mr. Chairman, a parliamentary inquiry. To what numbered bill does the gentleman's amendment relate?

The CHAIRMAN. The Chair will state that all debate and all inquiries have ceased. All that can be done is to read the amendments and vote.

The question is on the amendment of the gentleman from Louisiana to the amendment of the gentleman from Georgia.

The question was taken; and the Chairman announced that the "ayes" appeared to have it.

Mr. JOHANSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. WAGGONER and Mr. LANDRUM.

The Committee divided and the tellers reported that there were—ayes 101, noes 144.

So the amendment was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, on that I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. AYRES and Mr. ROOSEVELT.

The Committee divided, and the tellers reported that there were—ayes 124, noes 151.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the Landrum amendment, as amended, be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. ROOSEVELT. Mr. Chairman, I object.

Mr. STINSON. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was agreed to.

(Mr. LIBONATI asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LIBONATI. Mr. Chairman, the history of the human race is replete with the struggle of man against want, the elements, and natural enemies bent toward his destruction.

The Neanderthal man, a primeval species of man in the paleolithic period, widespread throughout Europe, were preoccupied with these same problems relative to the struggle for existence. He survived because of an inner awareness of the external world between acts of self-interest that were within his power to accomplish and those not within his power—he so disciplined his will.

The greatest deterrent to the continued existence of my form of human society has been the disrupting effect and decadence through progressive growth at the poverty level. The curse of poverty has caused the capitulation of the most powerful nations of antiquity and has contributed to the death of millions of human beings throughout the ages. It is like a serpent that crushes the body and poisons the mind of reason.

The most contributing factor to the continuing prevalence of poverty is due to ignorance—based on illiteracy and lack of training for vocational pursuits. Further, the individual remains static through the resulting loss of opportunity in the field of employment. Gradually the fading of hope gives way to despair. Human pride is lost, and a state of lethargy destroys any trace of ambition in the individual. Humans suffering from poverty no longer exert any stimulating interest in the community or their personal lives. The resulting environmental conditions, both spiritual and physical, steep the individual into a mental abyss of failure and despair.

The United States, in spite of its great wealth and \$530 billion, the highest economy ever in 1963—productive of its industry, farming, and commerce, and so forth—numbers 30 million Americans within this category of need, suffering in human misery, living in hunger and despair.

Certainly, our Nation, with its great wealth, tremendous income, specialization in all fields of knowledge and terrific productive capacity is well equipped to combat and eliminate poverty among our people.

The initiative must be taken by the concentrated effort at all levels of government, communities, civic and private organizations, and so forth, to lend their efforts to insure the success of the program.

The legislation, first, expands the opportunities for youth to gain the education, skills, and experience to develop talents for competitive entry into our society.

Second. Stimulate local action in communities to foster programs conducive to the elimination of poverty.

Third. A program of small grants and loans to destitute rural families to increase their income.

Fourth. Expanding of small business activities in depressed areas of our great cities, thus creating a basic rehabilitation program for the deserving businessmen.

Fifth. Special programs for undereducated adults and migratory agricultural workers.

Sixth. Stimulate more States to use public assistance to aid families to overcome their impoverished condition.

Seventh. Recruit and train volunteers to serve in capacities to help eliminate poverty.

The costs of direct public assistance amounts to \$4 billion a year. The indirect costs of impoverished conditions, resulting in juvenile delinquency, crime, health hazards, and increased fire and police protection account for more billions.

The tremendous loss of man-hours in unemployment and underemployment affect our production and the loss in spending of millions of job-earned dollars that would greatly strengthen our economy and reduce unemployment compensation costs.

A survey of the city of Chicago conducted by the welfare council was illuminating. The council report determined that 1 of 6 Chicagoans live in poverty circumstances—the Cook County figure was 1 of every 7 citizens—in suburbia Cook County, excluding the city, 1 out of 16. Nationally the average is one out of five. The basic income was determined at \$3,000 for family, and \$2,000 per individual. The Bureau of Labor Statistics studies determined that in the Chicago area, a family of four needs \$6,500 income for modest living. The costs of living are the highest in comparison with other cities.

The council reported that 700,000 in Cook County live in poverty, of which only half are receiving assistance from government agencies. For example, in April, 280,000 persons received welfare aid—amounting to 40 percent of the total poor.

The poverty group study showed that 145,000 families in Cook County in this category consist of 511,000 persons—many of them children.

The study disclosed that certain groups, for instance, nonwhites, women as heads of family, and the elderly are more susceptible to impoverishment. Further, the figures show that 37 percent of the low-income households are nonwhite, while only 15 percent of the county's households are nonwhite. Half of the low-income households are headed by women—but only 21 percent of the county households are headed by women. Also 34 percent of the low-income households are headed by an elderly person, but only 15 percent of the county's households are headed by persons 65 years or older.

One hundred thousand persons are seeking work. The education levels of these were part of the answer. Fifty-nine percent of the males in Cook County over 25 years of age do not have a high school education; 38 percent have received eighth-grade education or less; and 31,000 have not completed a year of



schooling. Thus, the council perfected a most revealing analysis of the problem. It conducted the survey on the same basis as the national studies on poverty have been conducted. Certainly, Ruth Moore, feature writer for the Chicago Sun-Times is to be complimented for her article on this interesting phase of our problem in studying this legislation. These figures are appalling if studied in the light that Chicago is the third largest city in the United States—known as the greatest manufacturing center in the United States, to say nothing of its other business and commercial operations. One person out of every six are in the toils of poverty.

The city of Chicago represented by the distinguished mayor of Chicago Richard A. Daley in his testimony in favor of the bill before the Committee revealed that a cooperative program being conducted there almost entirely by three independent agencies—the YMCA, the Boys Club, and the Chicago Youth Center—cooperating with such public and private agencies as the Illinois Employment Service, the Cook County Department of Public Aid, Chicago Commission of Youth Welfare, the Welfare Council of Metropolitan Chicago. This pilot youth program project numbering 1,000 youths—with no more than a sixth-grade education—are schooled in such skills that will qualify each for remunerative employment. Thus public and private agencies cooperate in an effort to prevent the increase of the poverty cycle. Under 1B of the bill a similar program is established.

Most of these youths between the ages of 17 and 21 were dropouts—high school, second year—showed poor averages in arithmetic and reading exercises. At the fifth grade level most had never been accepted in employment, others spasmodically employed. Although attendance was voluntary in the first 24 weeks, 80 percent participated in the program. The two principal activities—first about 50 percent were given instruction in writing, reading, arithmetic, and employment discipline.

The others received instruction in vocational workshops, training as automobile service station attendants, as duplicating machine operators, mail handling and clerk-typists. Mayor Daley further stated that their placement in jobs has been arranged. Also in this bill under title II the youth under educational disadvantages would be so trained. The urban youth program sets the ages between 16 and 21 years.

This affects the most sensitive area of unemployment among youths. The unemployment rate of youths between 16 and 24 is twice the averages for workers of all ages. Last year among the 16- to 19-year-olds, 17 percent were jobless, unable to procure employment—three times the average rate of all unemployed. In their age group—16 to 24—by comparison, one out of every three are unemployed. The nonwhite—3 employed out of 10—ages 10 to 19—about twice as many as the white group. Nonwhite girls average unemployment one out of three, and nonwhite boys one out of four. It is certainly a terrible situation to con-

tinue to disregard these conditions of employment. With automation releasing an estimated 1 million per year and 1½ million new jobs needed for new workers entering the labor market—something must be done, remedial in nature, at the Federal legislative level to reduce this growing army of unemployment not only among adults but also the youths of our land who it is said are now on family relief and represent 40 percent of those on relief whose fathers' parents were also on relief. Thus a dangerous pattern is observed that poverty continues to dominate generation after generation.

There are some hundred programs in the city of Chicago attended by a little less than 10,000 individuals who are being taught to enter various employments as trained employees—cooks, chauffeurs, nurses, machine operators, tool and die workers, and so forth as well as jobs requiring special skills, white collar, in technical and professional capacities. There are five groups on the job training programs to turn out, electronic assemblies, punch press operators, busdrivers, press operators, instrument calibrators, auto repairers, screw machine operators. Thus a practical opportunity for young and old to start over again and seize upon a new chance to join the work force of our economy—and abandon the relief rolls for remunerative employment.

The Economic Opportunity Act is the only answer to carry forward the battle against poverty. The sapping of our financial strength through relief and dependency programs calls for a modern method of creating incentive and opportunities toward expanding the labor pool of qualified workers to enter the various levels of employment—and by their hard-earned dollars stimulate the economy instead of draining the coffers of city, State, and Federal governments for a pittance that plunges men and youths willing to work deeper into the toils of poverty.

According to the Social Security Bulletin, November 1963, the sum of \$66.5 billion was spent by all levels of Government for social welfare purposes in 1962. Also during that year an additional \$33.5 billion was spent by private organizations for the same purpose—a total of \$100 billion. The Government was sponsoring 42 individual programs designed to combat the effects of poverty. Bureau of the Budget in the fiscal year 1964—almost \$32 billion were appropriated—earmarked for carrying out these programs in the hands of organized Government agencies. To reduce these figures we must train men to a needed job.

This act appropriates \$962.5 billion for the purposes intended. Programs to be carried out during the year 1965 and the 2 succeeding fiscal years. Also authorizes an appropriation of \$10 million for fiscal year ending June 30, 1965. For the next 2 fiscal years Congress may appropriate sums required to carry out the purposes of the act. The \$412,500,000 appropriated for 1965 are reserved for the first three parts of the title including Title I—Youth Programs; Title II—Urban and Rural Community Action Pro-

grams; and Title III—Special Programs To Combat Poverty in Rural Areas.

The millions of dollars appropriated by the several State legislatures throughout the Nation for public aid and aid to dependent children are increasing from year to year—and when added to the expanding other services of State, county, township, and city demanded by its citizenry—without taking steps to divert these thousands of relief recipients to gainful employment. Then our bodies politic will be on the brink of bankruptcy and the homeowner taxpayers will become tenants. Now is the time to act—by passing substitute S. 2642, as amended, in the House at this sitting of the Congress. President Lyndon Johnson is to be congratulated in his presentment of this program for the welfare of the thousands who need the help and confidence of their fellow Americans to adjust themselves by proper training programs to gain remunerative employment and contribute to the economy of our Nation and regain the respect of their dependents and the plaudits of their fellow men in community life. Position in the community is regained and family pride restored.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11377) to mobilize the human and financial resources of the Nation to combat poverty in the United States, pursuant to House Resolution 806, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. The question is on the amendment.

Mr. LANDRUM. Mr. Speaker, on that I demand the yeas and nays.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, as I understand it the vote that is now to be taken is on the substitute for the committee bill?

The SPEAKER. It is on the Landrum amendment.

Mr. HALLECK. If that amendment carries, then would we likewise be permitted to have a vote, if a sufficient number stood, on the passage of the bill, on final adoption?

The SPEAKER. The gentleman is correct.

The yeas and nays were ordered.

The question was taken; and there were—yeas 228, nays 190, not voting 13, as follows:

[Roll No. 213]

YEAS—228

|          |               |                |
|----------|---------------|----------------|
| Addabbo  | Boland        | Burton, Calif. |
| Albert   | Bolling       | Byrne, Pa.     |
| Ashley   | Bonner        | Cahill         |
| Aspinall | Brademas      | Cameron        |
| Baldwin  | Brooks        | Carey          |
| Barrett  | Brown, Calif. | Celler         |
| Bass     | Buckley       | Clark          |
| Blatnik  | Burke         | Cohelan        |
| Boggs    | Burkhalter    | Cooley         |



Corbett  
Corman  
Daddario  
Daniels  
Davis, Ga.  
Davis, Tenn.  
Dawson  
Delaney  
Dent  
Denton  
Diggs  
Dingell  
Donohue  
Downing  
Dulski  
Duncan  
Dwyer  
Edmondson  
Edwards  
Elliott  
Everett  
Evins  
Fallon  
Farbstein  
Fascell  
Feighan  
Finnegan  
Fino  
Flood  
Fogarty  
Fountain  
Fraser  
Friedel  
Fulton, Pa.  
Fulton, Tenn.  
Fuqua  
Gallagher  
Garmatz  
Gary  
Gialmo  
Gibbons  
Gilbert  
Gill  
Glenn  
Gonzalez  
Grabowski  
Gray  
Green, Oreg.  
Green, Pa.  
Griffiths  
Hagen, Calif.  
Halpern  
Hanna  
Hansen  
Harding  
Hardy  
Hawkins  
Hays  
Healey  
Hébert  
Hechler  
Henderson  
Hollfield  
Holland  
Horton  
Hull  
Ichord  
Jennings

Joelson  
Johnson, Calif.  
Johnson, Wis.  
Jones, Ala.  
Karsten  
Karth  
Kastenmeier  
Kee  
Kelly  
Keogh  
Kilgore  
King, Calif.  
Kirwan  
Kluczynski  
Kornegay  
Landrum  
Leggett  
Lesinski  
Libonati  
Lindsay  
Long, La.  
Long, Md.  
McDade  
McDowell  
McFall  
McMillan  
Macdonald  
Madden  
Mahon  
Mathias  
Matsunaga  
Matthews  
Miller, Calif.  
Milliken  
Mills  
Minish  
Monagan  
Montoya  
Moore  
Moorhead  
Morgan  
Morris  
Morrison  
Moss  
Multer  
Murphy, Ill.  
Murphy, N.Y.  
Natcher  
Nedzi  
Nix  
O'Brien, N.Y.  
O'Hara, Ill.  
O'Hara, Mich.  
O'Konski  
Olsen, Mont.  
Olson, Minn.  
O'Neill  
Patman  
Patten  
Pepper  
Perkins  
Philbin  
Pickle  
Pike  
Pilcher  
Poage  
Powell  
Price

Pucinski  
Purcell  
Randall  
Reid, N.Y.  
Reuss  
Rhodes, Pa.  
Rivers, Alaska  
Rivers, S.C.  
Roberts, Tex.  
Rodino  
Rogers, Colo.  
Rogers, Tex.  
Rooney, N.Y.  
Rooney, Pa.  
Roosevelt  
Rosenthal  
Rostenkowski  
Roush  
Roybal  
Ryan, Mich.  
Ryan, N.Y.  
St. Germain  
St. Onge  
Saylor  
Secrest  
Senner  
Sheppard  
Shipley  
Sibal  
Sickles  
Sisk  
Slack  
Smith, Iowa  
Staebler  
Stafford  
Staggers  
Steed  
Stephens  
Stratton  
Stubblefield  
Sullivan  
Taylor  
Teague, Tex.  
Thomas  
Thompson, La.  
Thompson, N.J.  
Thompson, Tex.  
Toll  
Trimble  
Tupper  
Udall  
Ullman  
Van Deerlin  
Vanik  
Vinson  
Watts  
Weltner  
White  
Whitener  
Wickersham  
Willis  
Wilson,  
Charles H.  
Wright  
Young  
Zablocki

## NAYS—190

Abbitt  
Abele  
Abernethy  
Adair  
Alger  
Anderson  
Andrews, Ala.  
Andrews,  
N. Dak.  
Arends  
Ashbrook  
Ashmore  
Auchincloss  
Avery  
Ayres  
Baker  
Barry  
Bates  
Battin  
Becker  
Beermann  
Belcher  
Bell  
Bennett, Fla.  
Berry  
Betts  
Bolton,  
Frances P.  
Bolton,  
Oliver P.  
Bow  
Bray  
Brock

Brownell  
Broomfield  
Brotzman  
Brown, Ohio  
Broyhill, N.C.  
Broyhill, Va.  
Bruce  
Burleson  
Burton, Utah  
Byrnes, Wis.  
Casey  
Cederberg  
Chamberlain  
Chenoweth  
Clancy  
Clausen,  
Don H.  
Clawson, Del.  
Cleveland  
Collier  
Colmer  
Conte  
Cramer  
Cunningham  
Curtin  
Curtis  
Dague  
Derounian  
Derwinski  
Devine  
Dole  
Dorn  
Dowdy

Ellsworth  
Findley  
Fisher  
Flynt  
Ford  
Foreman  
Forrester  
Frelinghuysen  
Gathings  
Goodell  
Goodling  
Grant  
Griffin  
Gross  
Grover  
Gubser  
Gurney  
Hagan, Ga.  
Haley  
Hall  
Halleck  
Harris  
Harrison  
Harsha  
Harvey, Ind.  
Harvey, Mich.  
Herlong  
Hoeven  
Hoffman  
Horan  
Hosmer  
Huddleston  
Hutchinson

Jarman  
Jensen  
Johansen  
Johnson, Pa.  
Jonas  
Keith  
Kilburn  
King, N.Y.  
Knox  
Kunkel  
Kyl  
Laird  
Langen  
Latta  
Lipscomb  
Lloyd  
McClory  
McCulloch  
McIntire  
McLoskey  
MacGregor  
Mailliard  
Marsh  
Martin, Calif.  
Martin, Nebr.  
May  
Meader  
Michel  
Miller, N.Y.  
Minshall  
Morse  
Morton

Mosher  
Murray  
Nelsen  
Osmers  
Ostertag  
Pelly  
Pillion  
Pirnie  
Poff  
Pool  
Quie  
Quillen  
Reid, Ill.  
Reifel  
Rhodes, Ariz.  
Rich  
Riehlman  
Roberts, Ala.  
Robison  
Rogers, Fla.  
Roudebush  
Rumsfeld  
St. George  
Schadeberg  
Schenck  
Schneebeli  
Schweiker  
Schwengel  
Scott  
Selden  
Short  
Shriver

Sikes  
Skubitz  
Smith, Calif.  
Smith, Va.  
Snyder  
Springer  
Stinson  
Taft  
Talcott  
Teague, Calif.  
Thomson, Wis.  
Tollefson  
Tuck  
Tuten  
Utt  
Van Pelt  
Waggoner  
Wallhauser  
Watson  
Weaver  
Westland  
Whalley  
Wharton  
Whitten  
Widnall  
Williams  
Wilson, Ind.  
Winstead  
Wyder  
Wyman  
Younger

## NOT VOTING—13

Baring  
Beckworth  
Bennett, Mich.  
Chelf  
Jones, Mo.

Lankford  
Lennon  
Martin, Mass.  
Norblad  
Passman

Rains  
Siler  
Wilson, Bob

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:  
Mr. Beckworth for, with Mr. Lennon against.

Mr. Lankford for, with Mr. Passman against.

Mr. Siler for, with Mr. Bob Wilson against.

Until further notice:

Mr. Rains with Mr. Martin of Massachusetts.

Mr. Chelf with Mr. Baring.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. GOODELL. Mr. Speaker, I demand the reading of the engrossed copy of the bill.

The SPEAKER. The gentleman from New York [Mr. GOODELL] demands the reading of the engrossed copy of the bill.

Further proceedings will be postponed until tomorrow.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 1145. Joint resolution to promote the maintenance of international peace and security in southeast Asia.

## ELECTION TO COMMITTEE

Mr. MILLS. Mr. Speaker, I offer a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

## H. RES. 829

Resolved, That WILLIAM J. GREEN, of Pennsylvania, be and he is hereby elected a member of the standing committee of the House of Representatives on Post Office and Civil Service.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PARLIAMENTARY INQUIRY

Mr. POWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. POWELL. Mr. Speaker, what time will the House meet tomorrow?

The SPEAKER. In the absence of a unanimous-consent agreement for an earlier hour, under the rules of the House it will meet at 12 o'clock.

Mr. ALBERT. Mr. Speaker, may I inquire whether it would be in order at this time and if there would be an objection at this time if I made a unanimous-consent request that the House convene at 11 o'clock?

Mr. HALLECK. I have been informed there would be objection.

## THE ESTABLISHMENT OF A NATIONAL WILDERNESS PRESERVATION SYSTEM

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. ASPINALL, JOHNSON of California, WHITE, SAYLOR, and MORTON.

## AUTHORIZING SECRETARY OF THE INTERIOR TO CONVEY CERTAIN FEDERALLY OWNED LAND IN TRUST STATUS TO THE CHEROKEE INDIAN TRIBE OF OKLAHOMA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6496) to authorize the Secretary of the Interior to convey certain federally owned land in trust status to the Cherokee Indian Tribe of Oklahoma, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That all the right, title, and interest of the United States in the following described land comprising 40 acres, more or less, heretofore set aside for school purposes, are hereby conveyed to the Cherokee Indian Tribe of Oklahoma, and such land shall not be subject to any exemption from



taxation, or restriction on use, management, or disposition, because of Indian ownership:

"North half southeast quarter northeast quarter, and that part of the northeast quarter northeast quarter lying south of United States Highway Numbered 62, section 20, township 16 north, range 22 east, Indian meridian, Oklahoma.

"SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the lands conveyed under the authority of this Act should or should not be set off against any claim against the United States determined by the Commission subsequent to the conveyance.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

The title was amended to read: "An Act to convey certain federally owned land to the Cherokee Tribe of Indians of Oklahoma."

A motion to reconsider was laid on the table.

Mr. EDMONDSON. Mr. Speaker, I appreciate the action of the House in approving this measure, making available to the Cherokee Indians a parcel of land surplus to the needs of the Sequoyah Indian School in Oklahoma.

I regret the other body would not agree to the House version of this bill conveying the land in trust but it is apparent this is the best deal available to the Cherokees at this stage in the session, and the land is urgently needed.

The Hon. W. W. Keeler, chief of the Cherokee, has advised me by telephone that the Senate version of the bill is acceptable to him under the circumstances.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a telegram addressed to my colleague, the gentleman from Oklahoma [Mr. EDMONDSON], signed by the general counsel of the Cherokee Indian tribe, stating their consent to and satisfaction with this legislation, be made a part of the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The telegram referred to is as follows:

MUSKOGEE, OKLA., August 4, 1964.

Hon. Ed EDMONDSON,  
House of Representatives,  
Washington, D.C.:

Just back from Sheridan this morning. Have conferred by phone with Chief Keeler we both agree that the Cherokees will be happy to receive fee title in the name of the Cherokee nation to 40 acres at Sequoyah with no tax exemption and no restriction on use management as amended by Senate committee, we thank you for your effort and hope the bill passes this session and thank you for your telegram.

EARL BOYD PIERCE,  
Cherokee General Counsel.

#### INDEPENDENCE NATIONAL HISTORICAL PARK

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 988) to authorize the Secretary of the Interior to acquire the Graff House site for inclusion in Independence National Histor-

ical Park, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 20, strike out "Act." and insert: "Act: *Provided*, That the Secretary of the Interior shall not obligate or expend any moneys herein authorized to be appropriated for acquisition of the land unless and until commitments are obtained for donations in an amount which in the judgment of the Secretary is sufficient to provide a replica of the Graff House in accordance with section 2."

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### AMENDING THE ALASKA OMNIBUS ACT

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 6, 1964.)

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### PERSONAL ANNOUNCEMENT

(Mr. POOL asked and was given permission to address the House for 1 minute.)

Mr. POOL. Mr. Speaker, I was absent on roll call No. 210 on House Joint Resolution 1145, voted on today, due to illness. If I had been present I would have voted in favor of the resolution.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 11377, considered today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### CORRECTION OF VOTE

Mr. GRAY. Mr. Speaker, on rollcall No. 210, I am informed by the tally clerk, I am recorded as not voting. I was

present and voted "yea." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER pro tempore (Mr. LIBONATI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### POVERTY BILL—SENATOR NORRIS COTTON'S COMMENTS (NO. 2)

(Mr. CLEVELAND (at the request of Mr. BROMWELL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, yesterday I called to my colleagues' attention the cogent and articulate comments of New Hampshire's senior Senator in regard to the poverty bill. Today, I wish to call to my colleagues' attention an excellent editorial written by Clinton L. White, editor and publisher of the Coos County Democrat, a weekly newspaper published in Lancaster, N.H. The editorial entitled "Explode the Myths" should be carefully read and thoughtfully considered. Senator COTTON's comments and Clinton White's editorial are helpful in placing the poverty issue in focus. The issue is not whether the American people will fight the ancient scourge of poverty. We have always done this. The war has already been declared, and as I brought out in the CONGRESSIONAL RECORD yesterday—page 17746—more than \$100 billion is being spent for the battle. The issue is whether a thoughtful people will permit this problem to become the pawn of politicians. The issue is whether platitudes and promises will be allowed to raise false expectations based on misstatements and mistruths.

I commend Mr. White's editorial to my colleagues:

#### EXPLODE THE MYTHS

Whether Senator GOLDWATER would have been your first choice as a Republican candidate or not, the most important question is whether we want Lyndon Johnson to continue as President and to continue a Democratic administration and Congress. The most important question is whether we want sound government or government that promises all and runs us into greater and greater debt all the time.

The myth of the Johnson economy must be exploded during the campaign. There must be more lights turned on to show up just what is going on in an administration born out of a horrible tragedy. There must be more light on the actual operations and results of programs having a popular appeal but full of flaws.

Such a program is the President's anti-poverty bill, and we direct your attention to Senator NORRIS COTTON's "Your Senator Reports", to be found elsewhere on this page.

We call your attention to the duplications pointed out by Senator COTTON, to the unnecessary expenses of such duplication and to its weaknesses because of problems it doesn't do anything about.

We well know the appeal of any war on poverty, but any war takes more than men and uniforms. It must be planned to win the objectives and at a cost that will not bankrupt the Nation. During the great depression, we served as an interviewer for the leading public opinion poll, and in every case where people were getting aid through this difficult time, they seemed to feel that there







Aug 8, 1964

SENATE - August 8

17. AGRICULTURAL APPROPRIATION BILL, 1965. Passed as reported this bill, H. R. 11202. Conferees were appointed. pp. 18090-114.
18. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. Rejected, 25 to 34, an amendment by Sen. Thurmond that would have banned discrimination in U.S. aid programs. pp. 18115-23
19. BEEF EXPORTS. Sen. McGee inserted an editorial praising USDA efforts to increase beef exports and an article including data on USDA beef purchases during the first week of July. pp. 18080-1
20. STRIP MINING. Sen. Lausche called for a study of "the adverse impact that surface strip mining has on wildlife, fish, life, vegetation, the general water supply, and the general economy of the communities which are plagued with this problem. p. 18077
21. ALASKA. Agreed to the conference report on S. 2881, the Alaska relief bill. This bill will now be sent to the President. p. 18114
22. PERSONNEL. Concurred in the House amendments to S. 1833, to authorize Government agencies to provide quarters, household furniture, and equipment, utilities, subsistence, and laundry service to U. S. civilian officers and employees. This bill will now be sent to the President. p. 18080
23. MILITARY CONSTRUCTION APPROPRIATION BILL, 1965. Passed as reported, 64 to 0, this bill, H. R. 11369. pp. 18082-90

HOUSE - August 8

24. POVERTY. Passed S. 2642 after substituting the language of H. R. 11377, previously passed by a 226-184 vote. pp. 18039-63
25. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 3279, to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah (H. Rept. 1725). p. 18074
26. TARIFF. The Ways and Means Committee reported without amendment H. R. 12253, to correct certain errors in the U. S. tariff schedules (H. Rept. 1728). p. 18074
27. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon. the House will consider sending H. R. 1839, meat import bill, to conference; and that on Tues. and the balance of the week, the House will consider sending S. 1007, the Pacific Northwest electric consumer guarantee, to conference; H. R. 5673, steel container labeling; H. R. 1803, Ozark National Scenic Riverways, Mo.; H. R. 12175, the housing bill; S. 1664, establishing an Administrative Conference of the U.S., will be considered. pp. 18064-5

ITEMS IN APPENDIX

28. AREA REDEVELOPMENT. Extension of remarks of Rep. Blatnik inserting ARA's answer to GAO's report that it overstated its estimate of the number of jobs that would be created under the accelerated public works program. p. A4171



29. POVERTY. Extension of remarks of Rep. Foreman criticizing the poverty bill.  
p. A4173  
Extension of remarks of Rep. Toll favoring the poverty bill. pp. A4192-3
30. WHEAT PROGRAM. Extension of remarks of Rep. Nelsen inserting a letter from a farmer complaining about the price he received for his wheat when he sold it on the free market, and an analysis of the recently announced program for 1965. pp. A4182-3
31. MEAT IMPORTS. Extension of remarks of Rep. Teague, Tex., inserting an Australian newspaper article on the beef import situation which was sent to one of his constituents by a rancher in Australia who stated, "Freeman was working for us, not for the country he represents." p. A4192
32. FOREIGN AGRICULTURE. Extension of remarks of Rep. Powell paying tribute to the Ivory Coast on the fourth anniversary of its independence mentioning its agricultural achievements. p. A4191

BILLS INTRODUCED

33. TRADE. H. R. 12286, by Rep. Barrett, to amend the Trade Expansion Act of 1962; to Ways and Means Committee.
34. POVERTY. H. R. 12288, by Rep. Glenn, to establish a National Human Resources Development Commission; to Education and Labor Committee
35. ROADS AND TRAILS. H. R. 12289, by Rep. Jensen, and H. R. 12290, by Rep. Kyl, to establish the Lewis and Clark Trail Commission; to Interior and Insular Affairs Committee.
36. PUBLIC LAW 480. H. R. 12298, by Rep. Poage, to extend the Agricultural Trade Development and Assistance Act of 1954; to Agriculture Committee.

BILL APPROVED BY THE PRESIDENT

37. CONTAINERS. H. R. 6413, to permit the sale in D. C. of milk and ice cream and other frozen dairy products in smaller containers than now permitted. Approved August 7, 1964 (Public Law 88-405).

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COMMITTEE HEARING AUG. 10:

Public Law 480 amendments, H. Agriculture (exec).

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of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 88<sup>th</sup> CONGRESS, SECOND SESSION

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WASHINGTON, SATURDAY, AUGUST 8, 1964

No. 154

## House of Representatives

The House met at 12 o'clock noon.  
The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Galatians 6: 2: *Bear ye one another's burdens and so fulfill the law of Christ.*

Almighty God, who art the inspiration of every noble thought and every heroic achievement, Thou art our Companion to walk with us when we are lonely, and our Counselor to guide us when we are confused.

Grant that having received so much from Thee, we may be eager to give ourselves unto others, bearing the burdens of the weak, sharing our blessings with the needy, and manifesting unto all mankind the Christlike spirit of consideration and compassion, of kindness and good will.

May we be humble and mindful that the greatest and strongest have their shortcomings and failures and that the weakest have their virtues and graces and a capacity for nobility of character and service.

Make us receptive and responsive to the overtures of Thy love and guard us against those anxieties and fears which deplete our strength and disturb our peace.

To Thy name we shall ascribe all the praise. Amen.

### THE JOURNAL

The SPEAKER. The Clerk will report the Journal of the preceding session.

The Clerk proceeded to read the Journal of the proceedings of yesterday.

Mr. ASHBROOK (interrupting the reading of the Journal). Mr. Speaker, I demand that the Journal be read in full.

The SPEAKER. The Clerk will read the Journal.

The Clerk resumed the reading of the Journal.

### CALL OF THE HOUSE

Mr. GROSS (interrupting the reading of the Journal). Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 214]

|                |               |          |
|----------------|---------------|----------|
| Baring         | Jones, Mo.    | Norblad  |
| Beckworth      | Lankford      | Osmers   |
| Bennett, Mich. | Long, Md.     | Passman  |
| Brock          | Martin, Mass. | Powell   |
| Fino           | Meador        | Sheppard |
| Foreman        | Michel        | Sikes    |
| Gubser         | Mosher        | Siler    |
| Harvey, Mich.  | Murray        |          |

The SPEAKER. On this rollcall 408 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### THE JOURNAL

The SPEAKER. The Clerk will proceed with the reading of the Journal.

The Clerk resumed the reading of the Journal of the proceedings of yesterday.

Mr. ASHBROOK (interrupting the reading of the Journal). Mr. Speaker, I withdraw my request.

The SPEAKER. Without objection, the Journal of the proceedings of yesterday will be considered as read, and approved.

There was no objection.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11579. An act making appropriations for certain civil functions administered by the Department of Defense, the Panama Canal, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and the Delaware River Basin Commission, for the fiscal year ending June 30, 1965, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes

of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HAYDEN, Mr. RUSSELL, Mr. McCLELLAN, Mr. HILL, Mr. MAGNUSON, Mr. HOLLAND, Mr. BIBLE, Mr. McNAMARA, Mr. PASTORE, Mr. HRUSKA, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1833. An act to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2215) entitled "An act for the relief of E. A. Rolfe, Jr.," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. McCLELLAN, and Mr. HRUSKA to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 9653) entitled "An act to extend the authority of the Postmaster General to enter into leases of real property for periods not exceeding 30 years, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1057) entitled "An act to promote the cause of criminal justice by providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the United States."

### ECONOMIC OPPORTUNITY ACT OF 1964

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill H.R. 11377, the Economic Opportunity Act of 1964. The Clerk will read the engrossed copy.

The Clerk proceeded to read the engrossed copy of the bill (H.R. 11377) to



mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. FRELINGHUYSEN (interrupting the reading of the engrossed copy of the bill). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy of the bill be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

#### MOTION TO RECOMMIT

Mr. FRELINGHUYSEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FRELINGHUYSEN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FRELINGHUYSEN moves to recommit the bill H.R. 11377 to the Committee on Education and Labor with instructions to report the same to the House forthwith with the following amendment:

"That this Act may be cited as the 'Human Resources Development Act of 1964'.

#### "Findings and Declaration of Purposes

"SEC. 2. Through the economic system of free enterprise, nurtured under a free society in which the powers of government are limited and decentralized so as to encourage maximum participation and responsibility on the part of individual citizens, the economic and social well-being of the United States have progressed to a level unequalled in world history. The opportunities for personal advancement and the benefits of widespread prosperity, although far exceeding that available to the citizens of any other nation, are unavailable to some citizens of the United States because of their lack of education, lack of training in marketable skills, location in areas afflicted by long-term economic dislocation, or condition of dependency due to social conditions over which they have little control.

"It has always been the policy of the United States, implemented by numerous Acts of the Congress and of State and local governments, to foster a society in which every person who is willing to work has the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of this policy without further centralizing power and responsibility in the Federal Government.

#### "TITLE I—STATE AND COMMUNITY ACTION PROGRAMS

##### "Statement of purpose

"SEC. 101. The purpose of this title is to authorize Federal grants to the States to assist in carrying out State, area, and community action programs which are a part of a coordinated State-designed plan to eliminate, through the improvement of educational and economic opportunities and the amelioration of conditions which breed dependency, the barriers to economic and social advancement of individuals residing in such State.

##### "Authorization of Appropriations

"SEC. 102. There are hereby authorized to be appropriated for each of the three fiscal years ending June 30, 1965, June 30, 1966, and June 30, 1967, \$500,000,000 for the purpose of making grants to the States as provided in this title.

##### "Allotments to States

"SEC. 103. (a) The sums appropriated pursuant to section 102 shall be allotted among the States on the basis of the population

of each State and the per capita income and number of unemployed in the respective States, as follows: The Secretary of Health, Education, and Welfare shall allot to each State for each fiscal year—

"(1) an amount which bears the same ratio to 50 per centum of the sums so appropriated for such year as the population of the State in the preceding fiscal year bears to the population of the United States; plus

"(2) an amount which bears the same ratio to 25 per centum of the sums so appropriated for such year as the product of the population of the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

"(3) an amount which bears the same ratio to 25 per centum of the sums so appropriated for such year as the number of unemployed persons in the work force in the State in the most recent year (or which data are available) bears to the number of unemployed persons in the work force in the United States in such year.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year which is less than \$100,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under such subsection, but with such adjustments as may be necessary to prevent the allotment of any State from being reduced to less than that amount.

"(c) The amount of any State's allotment under subsection (a) for any fiscal year which will not be required for such fiscal year for carrying out the State's plan approved under such subsection shall be available for reallocation from time to time, on such dates during such year as the Secretary may fix, to other States in proportion to their original allotments for such year (provided that each such other State certifies that it can use some or all of the amount available for reallocation to it to carry out its State plan), and any amount so reallocated to a State shall be deemed a part of its original allotment under subsection (a) for such year.

"(d) (1) The allotment ratio for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico, Guam, American Samoa, and the Virgin Islands), except that (i) the allotment ratio shall in no case be less than .25 or more than .75, and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be .75.

"(2) The allotment ratios shall be promulgated by the Secretary for each fiscal year, between July 1 and September 30 of the preceding fiscal year, except that for the fiscal year ending June 30, 1965, such allotment ratios shall be promulgated as soon as possible after the enactment of this part. Allotment ratios shall be computed on the basis of the average of the per capita incomes for a State and for all the States (exclusive of Puerto Rico, Guam, American Samoa, and the Virgin Islands) for the three most recent consecutive fiscal years for which satisfactory data are available from the Department of Commerce.

"(3) The term 'per capita income' for a State or for all the States (exclusive of Puerto Rico, Guam, American Samoa, and the Virgin Islands) for any fiscal year, means the total personal income for such State, and for all such States, respectively, in the calendar year ending in such fiscal year, divided by the population of such State, and of all such States, respectively, in such fiscal year.

"(4) The population of a State or of all the States shall be determined by the Secretary on the basis of the latest available estimates furnished by the Department of Commerce.

#### "Uses of Federal Funds

"SEC. 104 (a) Except as otherwise provided in subsection (b), a State's allotment under section 103 may be used, in accordance with its approved State plan, for any or all of the following purposes:

"(1) Special remedial education, residential schools, vocational-work camps, work-study arrangements, and similar educational programs for unemployed, out-of-school youth (or for youth who require assistance to remain in school) between the ages of sixteen and twenty-two (inclusive);

"(2) Employment of special teachers and other professional personnel, purchase of equipment, improvement of facilities or curriculums, and provision of special services for schools serving socially or economically depressed communities or neighborhoods;

"(3) Assistance for depressed urban areas and low-income urban families, including area economic development, improvement of education, housing, health, and social services, and job training and counseling;

"(4) Assistance for depressed rural areas and low-income rural families including area economic development, improvement of education, housing, health, and social services, and job training and counseling;

"(5) Special programs to serve the aging or other groups of persons who require assistance to become or remain self-sufficient;

"(6) Program evaluation, State administration and leadership, and research, studies, and demonstration projects related to problems of overcoming poverty and preventing dependency.

"(b) At least 50 per centum of any State's allotment for any fiscal year ending prior to July 1, 1966, and at least 33 1/3 per centum of any State's allotment for each subsequent year shall be used for the purposes set forth in paragraph (1) or (2), or both.

#### "State Plans

"SEC. 105. (a) A State which desires to receive its allotments of Federal funds under this title shall submit to the Secretary a State plan, in such detail as the Secretary deems necessary, which—

"(1) provides for the designation or creation of a State resources development agency which shall be broadly representative of business, labor, industry, agriculture, education, social service organizations, and of the public within such State, which shall be the sole agency for the administration of the State plan;

"(2) sets forth the policies and procedures to be followed by the State agency in allocating each such allotment among the various uses set forth in paragraphs (1), (2), (3), (4) and (5) of section 104(a), and in allocating funds to local communities and areas within the State, which policies and procedures shall assure that due consideration will be given to periodic evaluations of results of local programs, that there is maximum coordination of private and public programs for these purposes within the State, and that Federal funds will be used to supplement or increase the amount of State and local funds that would, in the absence of such Federal funds, be made available for the uses set forth in section 104(a);

"(3) provides for the maximum possible local effort, utilizing both public and private agencies, in planning and carrying out community action programs designed to accomplish the purposes of this Act;

"(4) provides that educational programs assisted under this Act be approved and supervised by the appropriate State education agency or board responsible for public education within the State;

"(5) makes provision (to the extent permissible under applicable State law) for conducting in private, nonprofit schools any special programs of social services, health services, or nonsectarian remedial educational services such as are provided for children



attending public schools in the same community, area, or neighborhood as a part of a community action program.

"(6) provides reasonable assurance that priority shall be given to programs in the most economically distressed areas of such State;

"(7) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this title, and provides for making such reports in such form and containing such information as the Secretary may reasonably require to carry out his functions under this Act; and

"(8) provides assurances that the requirements of section 103 will be complied with on all construction projects in the State assisted under this title.

"(b) The Secretary shall approve a State plan which fulfills the conditions specified in subsection (a), and shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State agency designated pursuant to paragraph (1) of such subsection.

"(c) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering a State plan approved under subsection (b), finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of subsection (a), or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Secretary shall notify such State agency that no further payments will be made to the State under this part (or, in his discretion, further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Secretary shall make no further payments to such State under this part (or shall limit payments to programs under or portions of the State plan not affected by such failure).

"(d) A State agency which is dissatisfied with a final action of the Secretary under subsection (b) or (c) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record the Secretary may modify or set aside his action. The findings of the Secretary as to the facts, if supported by a preponderance of the evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by a preponderance of the evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall operate as a stay of the Secretary's action.

#### "Payments to States—Matching Funds

"Sec. 106. (a) A State's allotment under section 103 for the fiscal year ending June 30, 1965, shall remain available for obligation by the State until June 30, 1966.

"(b) Any amount paid to a State from its allotments under section 103 for the fiscal year ending June 30, 1966, shall be available for paying 66⅔ per centum of the cost of carrying out the State plan under section 105; for the fiscal year ending June 30, 1967, such amount shall be available for paying 50 per centum of such cost.

"(c) In computing the non-Federal share of the cost of carrying out a State plan approved under section 103 for any fiscal year, State and local funds, private funds, gifts, and the reasonable value of contributed equipment, facilities, goods and services, may be included: *Provided, however*, That for any fiscal year beginning after June 30, 1966, at least 15 per centum of the non-Federal share of the cost must be derived from State funds appropriated by the legislature of such State.

#### "Programs in Nonprofit Schools

"Sec. 107. In the instance of any State which is prohibited by the laws thereof from carrying out social, health, or special non-sectarian remedial education programs in nonprofit elementary and secondary schools, the requirement of section 105(a)(5) is waived. The State agency of such State shall certify to the Secretary those nonprofit schools in which such programs would be carried out, but for such legal prohibition, and the Secretary is authorized to arrange for the conduct of such programs in such schools and to pay from the State allotment in any fiscal year the Federal share of the cost of such programs.

#### "Labor Standards

"Sec. 108. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this part shall be paid wages at rates not less than those prevailing as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

#### "TITLE II—SPECIAL STUDIES

##### "Selective Service Examinations

"Sec. 201. (a) The Director of Selective Service shall conduct a thorough inquiry into the feasibility of reducing to sixteen years the age for preinduction examinations under the Selective Service System, in order that young men who are in need of, and can benefit from, special education, training, or rehabilitation programs may be identified and remedial services be made available to them at an early age.

"(b) Not later than six months after the effective date of this Act, the Director shall report to the President and the Congress concerning his findings from this inquiry, and such report shall contain any recommendations he may have for necessary administrative and legislative action to achieve the purposes herein set forth.

##### "Department of Defense

"Sec. 202. Not later than six months after the effective date of this Act, the Secretary of Defense shall transmit to the President and the Congress a full report, together with recommendations, concerning the military feasibility of reducing the age at which men actually are called up for military service under the Selective Service Act.

##### "Employment

"Sec. 203. (a) The Secretary of Labor shall conduct a thorough study of unemployment, its causes, incidence, areas of concentration and the reasons therefor; together with an

analysis of existing employment information programs, with a view to determining additional categories of information which must be developed, and appraising new techniques which could be utilized in order to establish a comprehensive information program which would provide for the rapid correlation, exchange, and dissemination of current information on employment, unemployment, job opportunities, needed skills, and other data necessary to the effective utilization of civilian manpower in both private employment and meaningful training programs.

"(b) The Secretary shall make a preliminary report of his findings to the President and the Congress not later than six months after the effective date of this Act, and shall present a final report not later than one year after the effective date of this Act.

#### "Education

"Sec. 204. (a) The United States Commissioner of Education shall conduct a thorough study of the causes, incidence, and areas of concentration of school dropouts, together with a study of the incidence, causes, and areas of concentration of individuals who, despite their attendance in school to or beyond the eighth grade are unable to read, write, or do arithmetic at an eighth grade level; such study shall specifically include consideration of teacher education and teacher certification requirements, and shall include scholarly and other expert opinion from outside the field of professional education.

"(b) The Commissioner shall, to the fullest extent practicable, utilize the Cooperative Research Act in making this study, and shall present a report of his findings and recommendations to the President and Congress not later than one year after the effective date of this Act.

"Sec. 205. There are hereby authorized to be appropriated such sums as may be necessary for carrying out the purposes of this title.

#### "TITLE III—COORDINATION OF FEDERAL ANTI-POVERTY PROGRAMS

"Sec. 301. In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

"(a) the Secretary is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the anti-poverty efforts of all Federal agencies;

"(b) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

"(1) cooperate with the Secretary in carrying out his duties and responsibilities under this Act; and

"(2) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

"(c) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in subsection (b) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

#### "Preference to Community Action Programs

"Sec. 302. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title I of this Act.



## "Information Center"

"SEC. 303. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Secretary is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Secretary's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

## "TITLE IV—ADMINISTRATION"

## "Definitions"

"Sec. 401. As used in this Act:

"(a) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(b) The term 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands.

"(c) The term 'agency', unless the context requires otherwise, means a department, agency, or other component of a Federal, State, or local governmental entity.

"(d) The term 'special nonsectarian remedial education' means instruction in reading, composition, mathematics, physical sciences, and English for those whose primary language is not English, in which there is no religious or sectarian content, conducted for individuals whose skills in such subjects fall below the grade level attained by them in school, or for adults requiring basic education.

"(e) The term 'community action program' means a program conducted in a community or area of a State in accordance with a State plan approved under title I of this Act, and approved by the State agency designated or established under section 105(a)(1).

## "Reports"

"Sec. 402. Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

## "Federal Commission on Poverty"

"Sec. 403. (a) There is hereby established a Federal Commission on Poverty, which shall conduct a thorough study of existing antipoverty programs of all segments of the Federal Government in order to determine how such programs may be coordinated and changed or combined to become more effective in operation.

"(b) The Commission shall include the Secretary of Health, Education, and Welfare, the Secretary of Defense, the Attorney General, the Secretaries of Interior, Agriculture, Commerce, and Labor, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, or their designees, three Members of the Senate appointed by the President of the Senate, three Members of the House of Representatives appointed by the Speaker of the House, and three public members, to be appointed by the President, one of whom the President shall name Chairman of the Commission.

"(c) The Commission shall render a report to the President and the Congress, containing such recommendations for administrative and legislative action as it shall deem necessary, not later than June 30, 1965.

## "National Advisory Council"

"Sec. 404. There is hereby established in the Office of the Secretary a National Advisory Council. The Council shall be composed of the Secretary, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard

to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Secretary, the Council shall review the operations and activities under this Act, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Secretary may request.

## "Federal Control"

"Sec. 405. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

## "Changes in Existing Law"

"Sec. 406. Sections 13, 14, and 15 of Public Law 88-210 (77 Stat. 415), relating to work-study programs for vocational education students and residential vocational schools, are hereby repealed."

Mr. FRELINGHUYSEN (interrupting the reading of the motion to recommit). Mr. Speaker, I ask unanimous consent that further reading of my amendment incorporated in my motion to recommit be dispensed with and that it be printed in the RECORD in full at this point.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 117, nays 295, not voting 19, as follows:

[Roll No. 215]

## YEAS—117

|                |               |               |
|----------------|---------------|---------------|
| Abele          | Collier       | Nelsen        |
| Adair          | Cramer        | Ostertag      |
| Alger          | Cunningham    | Pelly         |
| Anderson       | Curtin        | Pirnie        |
| Andrews,       | Curtis        | Poff          |
| N. Dak.        | Dague         | Quile         |
| Arends         | Ellsworth     | Quillen       |
| Ashbrook       | Findley       | Reid, N.Y.    |
| Auchincloss    | Ford          | Reifel        |
| Avery          | Frelinghuysen | Rhodes, Ariz. |
| Ayres          | Goodeil       | Rich          |
| Baldwin        | Goodling      | Riehlman      |
| Barry          | Griffin       | Robison       |
| Bates          | Halleck       | Rumsfeld      |
| Battin         | Harrison      | St. George    |
| Becker         | Harsha        | Schenck       |
| Beermann       | Harvey, Ind.  | Schneebeli    |
| Belcher        | Hosmer        | Schweiker     |
| Bell           | Jensen        | Schwengel     |
| Berry          | Johnson, Pa.  | Short         |
| Betts          | Jonas         | Shriver       |
| Bolton         | Keith         | Sibal         |
| Frances P.     | Kilburn       | Skubitz       |
| Bolton,        | Kunkel        | Springer      |
| Oliver P.      | Kyl           | Stafford      |
| Bray           | Laird         | Stinson       |
| Brock          | Langen        | Taft          |
| Bromwell       | Latta         | Talcott       |
| Broomfield     | Lindsay       | Thomson, Wis. |
| Brotzman       | Lipscomb      | Tollefson     |
| Brown, Ohio    | Lloyd         | Wallhauser    |
| Broyhill, N.C. | McCulloch     | Weaver        |
| Broyhill, Va.  | McDade        | Westland      |
| Burton, Utah   | McIntire      | Whalley       |
| Cahill         | MacGregor     | Wharton       |
| Cederberg      | Mailliard     | Widnall       |
| Chamberlain    | Mathias       | Wilson, Bob   |
| Chenoweth      | May           | Wilson, Ind.  |
| Clawson, Del   | Miller, N.Y.  | Wyder         |
| Cleveland      | Morton        | Wyman         |

## NAYS—295

|               |               |         |
|---------------|---------------|---------|
| Abbitt        | Ashmore       | Blatnik |
| Abernethy     | Aspinall      | Boggs   |
| Addabbo       | Baker         | Boland  |
| Albert        | Barrett       | Bolling |
| Andrews, Ala. | Bass          | Bonner  |
| Ashley        | Bennett, Fla. | Bow     |

|                |                 |                |
|----------------|-----------------|----------------|
| Brademas       | Hansen          | Philbin        |
| Brooks         | Harding         | Pickle         |
| Brown, Calif.  | Hardy           | Pike           |
| Bruce          | Harris          | Pilcher        |
| Buckley        | Hawkins         | Pillion        |
| Burke          | Hays            | Poage          |
| Burkhalter     | Healey          | Pool           |
| Burleson       | Hébert          | Powell         |
| Burton, Calif. | Hechler         | Price          |
| Byrne, Pa.     | Henderson       | Pucinski       |
| Byrnes, Wis.   | Herlong         | Purcell        |
| Cameron        | Hoeven          | Rains          |
| Carey          | Hoffman         | Randall        |
| Casey          | Holifield       | Reid, Ill.     |
| Celler         | Holland         | Reuss          |
| Chelf          | Horan           | Rhodes, Pa.    |
| Clancy         | Horton          | Rivers, Alaska |
| Clark          | Huddleston      | Rivers, S.C.   |
| Clausen,       | Hull            | Roberts, Ala.  |
| Don H.         | Hutchinson      | Roberts, Tex.  |
| Cohelan        | Ichord          | Rodino         |
| Colmer         | Jarman          | Rogers, Colo.  |
| Conte          | Jennings        | Rogers, Fla.   |
| Cooley         | Joelson         | Rogers, Tex.   |
| Corbett        | Johansen        | Rooney, N.Y.   |
| Corman         | Johnson, Calif. | Rooney, Pa.    |
| Daddario       | Johnson, Wis.   | Rosevelt       |
| Daniels        | Jones, Ala.     | Rosenthal      |
| Davis, Ga.     | Karsten         | Rostenkowski   |
| Davis, Tenn.   | Karth           | Roudebush      |
| Dawson         | Kastenmeier     | Roush          |
| Delaney        | Kee             | Roybal         |
| Dent           | Kelly           | Ryan, Mich.    |
| Denton         | Keogh           | Ryan, N.Y.     |
| Derounian      | Kilgore         | St. Germain    |
| Devine         | King, Calif.    | St. Onge       |
| Diggs          | King, N.Y.      | Saylor         |
| Dingell        | Kirwan          | Schadeberg     |
| Dole           | Kluczynski      | Scott          |
| Donohue        | Knox            | Secrest        |
| Dorn           | Kornegay        | Selden         |
| Dowdy          | Landrum         | Senner         |
| Downing        | Leggett         | Shipley        |
| Dulski         | Lennon          | Sickles        |
| Duncan         | Lesinski        | Sisk           |
| Dwyer          | Libonati        | Slack          |
| Edmondson      | Long, La.       | Smith, Calif.  |
| Edwards        | Long, Md.       | Smith, Iowa    |
| Elliott        | McClory         | Smith, Va.     |
| Everett        | McDowell        | Snyder         |
| Evins          | McFall          | Staebler       |
| Fallon         | McLoskey        | Staggers       |
| Farbstein      | McMillan        | Steed          |
| Fascell        | Macdonald       | Stephens       |
| Felghan        | Madden          | Stratton       |
| Finnegan       | Mahon           | Stubblefield   |
| Fisher         | Marsh           | Sullivan       |
| Flood          | Martin, Calif.  | Taylor         |
| Flynt          | Martin, Nebr.   | Teague, Calif. |
| Fogarty        | Matsunaga       | Teague, Tex.   |
| Forrester      | Matthews        | Thomas         |
| Fountain       | Miller, Calif.  | Thompson, La.  |
| Fraser         | Milliken        | Thompson, N.J. |
| Friedel        | Mills           | Thompson, Tex. |
| Fulton, Pa.    | Minish          | Toll           |
| Fulton, Tenn.  | Minshall        | Trimble        |
| Fuqua          | Monagan         | Tuck           |
| Gallagher      | Montoya         | Tupper         |
| Garmatz        | Moore           | Tuten          |
| Gary           | Moorhead        | Udall          |
| Gathings       | Morgan          | Ullman         |
| Gialmo         | Morris          | Utt            |
| Gibbons        | Morrison        | Van Deerlin    |
| Gilbert        | Morse           | Vanik          |
| Gill           | Moss            | Van Pelt       |
| Glenn          | Multer          | Vinson         |
| Gonzalez       | Murphy, Ill.    | Waggoner       |
| Grabowski      | Murphy, N.Y.    | Watson         |
| Grant          | Murray          | Watts          |
| Gray           | Natcher         | Weltner        |
| Green, Oreg.   | Nedzi           | White          |
| Green, Pa.     | Nix             | Whitener       |
| Griffiths      | O'Brien         | Whitten        |
| Gross          | O'Hara, Ill.    | Wickersham     |
| Grover         | O'Hara, Mich.   | Williams       |
| Gubser         | O'Konski        | Willis         |
| Gurney         | Olsen, Mont.    | Wilson,        |
| Hagan, Ga.     | Olsen, Minn.    | Charles H.     |
| Hagen, Calif.  | O'Neill         | Winstead       |
| Haley          | Patman          | Wright         |
| Hall           | Patten          | Young          |
| Halpern        | Pepper          | Younger        |
| Hanna          | Perkins         | Zablocki       |

## NOT VOTING—19

|                |               |         |
|----------------|---------------|---------|
| Baring         | Jones, Mo.    | Osmer   |
| Beckworth      | Lankford      | Passman |
| Bennett, Mich. | Martin, Mass. | Shppard |
| Derwinski      | Meader        | Sikes   |
| Fino           | Michel        | Siler   |
| Foreman        | Mosher        |         |
| Harvey, Mich.  | Norblad       |         |

So the motion to recommit was rejected.



The Clerk announced the following pairs:

Mr. Martin of Massachusetts for, with Mr. Beckworth against.

Mr. Foreman for, with Mr. Lankford against.

Mr. Mosher for, with Mr. Passman against.

Mr. Osmer for, with Mr. Sikes against.

Mr. Fino for, with Mr. Sheppard against.

Mr. WHALLEY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 226, nays 184, not voting 21, as follows:

[Roll No. 216]

#### YEAS—226

|                |                 |                |
|----------------|-----------------|----------------|
| Addabbo        | Griffiths       | Patten         |
| Albert         | Hagen, Calif.   | Pepper         |
| Ashley         | Halpern         | Perkins        |
| Aspinall       | Hanna           | Philbin        |
| Baldwin        | Hansen          | Pickle         |
| Barrett        | Harding         | Pike           |
| Bass           | Hardy           | Pllicher       |
| Blatnik        | Hawkins         | Poage          |
| Boggs          | Hays            | Powell         |
| Boland         | Healey          | Price          |
| Bolling        | Hébert          | Pucinski       |
| Bonner         | Hechler         | Purcell        |
| Brademas       | Henderson       | Rains          |
| Brooks         | Holifield       | Randall        |
| Brown, Calif.  | Holland         | Reid, N.Y.     |
| Buckley        | Horton          | Reuss          |
| Burke          | Hull            | Rhodes, Pa.    |
| Burkhalter     | Ichord          | Rivers, Alaska |
| Burton, Calif. | Jennings        | Rivers, S.C.   |
| Byrne, Pa.     | Joelson         | Roberts, Tex.  |
| Cahill         | Johnson, Calif. | Rodino         |
| Cameron        | Johnson, Wis.   | Rogers, Colo.  |
| Carey          | Jones, Ala.     | Rooney, N.Y.   |
| Celler         | Karsten         | Rooney, Pa.    |
| Chelf          | Karth           | Roosevelt      |
| Clark          | Kastenmeier     | Rosenthal      |
| Cohelan        | Kee             | Rostenkowski   |
| Conte          | Kelly           | Roush          |
| Cooley         | Keogh           | Roybal         |
| Corbett        | King, Calif.    | Ryan, Mich.    |
| Corman         | Kirwan          | Ryan, N.Y.     |
| Daddario       | Kluczynski      | St. Germain    |
| Daniels        | Kornegay        | St. Onge       |
| Davis, Ga.     | Landrum         | Saylor         |
| Davis, Tenn.   | Leggett         | Secrest        |
| Dawson         | Lesinski        | Senner         |
| Delaney        | Libonati        | Shipley        |
| Dent           | Lindsay         | Sibal          |
| Denton         | Long, La.       | Sickles        |
| Diggs          | McDade          | Sisk           |
| Dingell        | McDowell        | Slack          |
| Donohue        | McFall          | Smith, Iowa    |
| Dulski         | Macdonald       | Staebler       |
| Duncan         | Madden          | Stafford       |
| Dwyer          | Mahon           | Staggers       |
| Edmondson      | Mathias         | Steed          |
| Edwards        | Matsunaga       | Stephens       |
| Elliott        | Matthews        | Stratton       |
| Everett        | Miller, Calif.  | Stubblefield   |
| Evins          | Milliken        | Sullivan       |
| Fallon         | Mills           | Taylor         |
| Farbstein      | Minish          | Thomas         |
| Fascell        | Monagan         | Thompson, La.  |
| Feighan        | Montoya         | Thompson, N.J. |
| Finnegan       | Moore           | Thompson, Tex. |
| Flood          | Moorhead        | Toll           |
| Fogarty        | Morgan          | Trimble        |
| Fountain       | Morris          | Tupper         |
| Fraser         | Morrison        | Udall          |
| Friedel        | Morse           | Ullman         |
| Fulton, Pa.    | Moss            | Van Deerlin    |
| Fulton, Tenn.  | Multer          | Vanik          |
| Fuqua          | Murphy, Ill.    | Vinson         |
| Gallagher      | Murphy, N.Y.    | Watts          |
| Garmatz        | Murray          | Weltner        |
| Gary           | Natcher         | Whalley        |
| Giaino         | Nedzi           | White          |
| Gibbons        | Nix             | Whitener       |
| Gilbert        | O'Brien, N.Y.   | Wickersham     |
| Gill           | O'Hara, Ill.    | Willis         |
| Glenn          | O'Hara, Mich.   | Wilson         |
| Gonzalez       | O'Konski        | Charles H.     |
| Grabowski      | Olsen, Mont.    | Wright         |
| Gray           | Olson, Minn.    | Young          |
| Green, Oreg.   | O'Neill         | Zablocki       |
| Green, Pa.     | Patman          |                |

#### NAYS—184

|                |                |                |
|----------------|----------------|----------------|
| Abbitt         | Dowdy          | Miller, N.Y.   |
| Abele          | Downing        | Minshall       |
| Abernethy      | Ellsworth      | Morton         |
| Adair          | Findley        | Nelsen         |
| Alger          | Fisher         | Ostertag       |
| Anderson       | Flynt          | Pelly          |
| Andrews, Ala.  | Ford           | Pillion        |
| Andrews,       | Forrester      | Pirnie         |
| N. Dak.        | Frelinghuysen  | Poff           |
| Arends         | Gathings       | Pool           |
| Ashbrook       | Goodell        | Quile          |
| Ashmore        | Goodling       | Quillen        |
| Auchincloss    | Grant          | Reid, Ill.     |
| Avery          | Griffin        | Relfel         |
| Ayres          | Gross          | Rhodes, Ariz.  |
| Baker          | Grover         | Rich           |
| Barry          | Gubser         | Riehlman       |
| Bates          | Gurney         | Roberts, Ala.  |
| Battin         | Hagan, Ga.     | Robison        |
| Becker         | Haley          | Rogers, Fla.   |
| Beermann       | Hall           | Roudebush      |
| Belcher        | Halleck        | Rumsfeld       |
| Bell           | Harris         | St. George     |
| Bennett, Fla.  | Harrison       | Schadeberg     |
| Berry          | Harsha         | Schenck        |
| Betts          | Harvey, Ind.   | Schneebell     |
| Bolton         | Herlong        | Schweiker      |
| Hoeven         | Hoffman        | Scott          |
| Bolton,        | Horan          | Selden         |
| Oliver P.      | Hosmer         | Short          |
| Bow            | Huddleston     | Shriver        |
| Bray           | Hutchinson     | Skubitz        |
| Brock          | Jarman         | Smith, Calif.  |
| Bromwell       | Jensen         | Smith, Va.     |
| Broomfield     | Johansen       | Snyder         |
| Brotzman       | Johnson, Pa.   | Springer       |
| Brown, Ohio    | Jonas          | Stinson        |
| Broyhill, N.C. | Keith          | Taft           |
| Broyhill, Va.  | Kilburn        | Talcott        |
| Bruce          | Kilgore        | Teague, Calif. |
| Burleson       | King, N.Y.     | Teague, Tex.   |
| Burton, Utah   | Knox           | Thomson, Wis.  |
| Byrnes, Wis.   | Kunkel         | Tollefson      |
| Casey          | Kyl            | Tuck           |
| Cederberg      | Laird          | Tuten          |
| Chamberlain    | Langen         | Utt            |
| Chenoweth      | Latta          | Van Pelt       |
| Clancy         | Lennon         | Waggonner      |
| Clausen,       | Lipscomb       | Wallhauser     |
| Don H.         | Lloyd          | Watson         |
| Clawson, Del.  | McClory        | Weaver         |
| Cleveland      | McCulloch      | Westland       |
| Collier        | McIntire       | Wharton        |
| Colmer         | McLoskey       | Whitten        |
| Cramer         | McMillan       | Widnall        |
| Cunningham     | MacGregor      | Williams       |
| Curtin         | Mailliard      | Wilson, Bob    |
| Curtis         | Marsh          | Wilson, Ind.   |
| Dague          | Martin, Calif. | Winstead       |
| Derounian      | Martin, Nebr.  | Wylder         |
| Devine         | May            | Wyman          |
| Dole           | Michel         | Younger        |
| Dorn           |                |                |

#### NOT VOTING—21

|                |               |              |
|----------------|---------------|--------------|
| Baring         | Jones, Mo.    | Osmer        |
| Beckworth      | Lankford      | Passman      |
| Bennett, Mich. | Long, Md.     | Rogers, Tex. |
| Derwinski      | Martin, Mass. | Schwengel    |
| Fino           | Meador        | Sheppard     |
| Foreman        | Mosher        | Sikes        |
| Harvey, Mich.  | Norblad       | Siler        |

So the bill was passed.

The Clerk announced the following pairs:

Mr. Beckworth for, with Mr. Rogers of Texas against.

Mr. Lankford for, with Mr. Passman against.

Mr. Sheppard for, with Mr. Sikes against.

Mr. Siler for, with Mr. Mosher against.

Mr. Fino for, with Mr. Foreman against.

Mr. Martin of Massachusetts for, with Mr. Osmer against.

The result of the vote was announced as above recorded.

Mr. LANDRUM. Mr. Speaker, pursuant to House Resolution 806, I call up from the Speaker's table for immediate consideration the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

The Clerk read the title of the bill.

The Clerk read the Senate bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of*

*America in Congress assembled, That this Act may be cited as the "Economic Opportunity Act of 1964".*

#### Findings and Declaration of Purpose

SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

#### TITLE I—YOUTH PROGRAMS

##### Part A—Job Corps

##### Statement of Purposes

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

##### Establishment of Job Corps

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

##### Job Corps Program

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems



necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

#### Composition of the Corps

SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.). Only in exceptional cases shall enrollees in the Corps be graduates of an accredited high school, and no person shall be accepted for enrollment in the Corps unless the local school authorities have concluded that further school attendance by such person in any regular academic, vocational, or training program, is not practicable.

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

#### Allowance and Maintenance

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital and other health services and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however*, That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

#### Application of Provisions of Federal Law

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c) (1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5

U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee—

(i) while on authorized leave or pass; or  
(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1)) shall apply to enrollees.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

#### Political Discrimination and Political Activity

SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

#### State-Operated Youth Camps

SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursu-

ant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

#### Requirement for State Approval of Conservation Camps and Training Centers

SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

#### PART II—WORK-TRAINING PROGRAMS

##### Statement of Purpose

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

##### Development of Programs

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

##### Financial Assistance

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations, other than projects involving the construction, operations, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such pro-



gram and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

#### Enrollees in Program

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

#### Limitations on Federal Assistance

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

#### Equitable Distribution of Assistance

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

#### Part C—Work-study programs

##### Statement of Purpose

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

##### Allotments to States

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa,

and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103 (d) (3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

#### Grants for Work-Study Programs

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401 (f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

#### Conditions of Agreements

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or

(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### Sources of Matching Funds

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### Equitable Distribution of Assistance

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### Part D—Authorization of appropriations

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year



ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

## TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

### Part A—General community action programs Statement of Purpose

SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

#### Community Action Programs

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency, or a combination thereof, with maximum feasible participation of public agencies and private nonprofit organizations primarily concerned with the community's problems of poverty.

(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

#### Allotment to States

SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children

under 18 years of age living in families with incomes of less than \$1,000 in all the States.

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

#### Financial Assistance for Development of Community Action Programs

SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

#### Financial Assistance for Conduct and Administration of Community Action Programs

SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

#### Technical Assistance

SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

#### Research, Training, and Demonstrations

SEC. 207. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

#### Limitations on Federal Assistance

SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

#### Participation of State Agencies

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

(c) In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with or provided to, any private nonprofit or other private institution or organization for the purpose of carrying out any program, project, or other activity within a State, except where such institution or organization is operating in conjunction with, or under the authority of, a public agency, unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however*, That this section shall not apply to contracts, grants, loans, or other assistance to any institutions of higher education in existence on the date of the approval of this Act.

#### Equitable Distribution of Assistance

SEC. 210. The Director shall establish criteria designed to achieve an equitable dis-



tribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; and (6) persons rejected for military service.

#### Preference for Components of Approved Programs

SEC. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

#### Part B—Adult basic education programs

##### Declaration of Purpose

SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

##### Grants to States

SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

##### State Plans

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary

to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

##### Allotments

SEC. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 percentum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated

under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

##### Payments

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

##### Operation of State Plans; Hearings and Judicial Review

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States



upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

#### Miscellaneous

SEC. 218. For purposes of this part—

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(2) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

#### Part C—Voluntary assistance program for needy children

##### Statement of Purpose

SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

##### Authority to Establish Information Center

SEC. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

#### Part D—Authorization of appropriations

SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

##### Statement of Purpose

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

#### Part A—Authority to make grants and loans

SEC. 302. (a) The Director is authorized to make—

(1) loans of not to exceed \$1,500 to low-income rural families where, in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

(C) participate in cooperative associations; and

(2) loans to such families, having a maximum maturity of fifteen years and in amounts not exceeding \$2,500 in the aggregate to any family at any one time, to finance nonagricultural enterprises which will enable such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs. The Director may reduce or release obligations resulting from a loan made under this section if he finds that the debtor has attempted in good faith to comply with his loan obligations and that either the objective for which the loan was made will likely not be achieved or the indebtedness exceeds the debtor's reasonable payment ability.

##### Cooperative Associations

SEC. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

##### Limitations on Assistance

SEC. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

##### Loan Terms and Conditions

SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

(e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and

(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

#### Part B—Assistance for migrant agricultural employees and their families

SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

##### Part C—Authorization of appropriations

SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

#### Part D—Indemnity payments to dairy farmers

SEC. 331 (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1965.

#### TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

##### Statement of Purpose

SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

##### Loans, Participations, and Guaranties

SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Di-



rector shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

#### Coordination With Community Action Programs

SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

#### Financing Under Small Business Act

SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

#### Loan Terms and Conditions

SEC. 405. Loans made pursuant to section 402 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations—

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

#### Limitation on Financial Assistance

SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

#### Duration of Program

SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

#### TITLE V—WORK EXPERIENCE PROGRAMS

##### Statement of Purpose

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

#### Payments for Experimental, Pilot, and Demonstration Projects

SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

#### Authorization of Appropriations

SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE VI—ADMINISTRATION AND COORDINATION

##### Part A—Administration

##### Office of Economic Opportunity

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Directory may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332–3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

##### Authority of Director

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be neces-

sary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided, however*, That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the re-delegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time



as such obligations may be referred to the Attorney General for suit or collection;

(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

#### Volunteers in Service to America

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject

to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

#### Economic Opportunity Council

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### National Advisory Council

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### Revolving Fund

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

#### Labor Standards

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally as-

sisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### Reports

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### Definitions

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

- (1) the spouse or child of an enrollee, and
- (2) any other relative who draws substantial support from the enrollee.

#### Part B—Coordination of antipoverty programs

##### Coordination

SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

#### Preference to Community Action Programs

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is di-



rected to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### Information Center

Sec. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### Prohibition of Federal Control

Sec. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### Authorization of Appropriations

Sec. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### TITLE VII—TREATMENT OF UNEMPLOYMENT COMPENSATION BENEFITS AND INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

##### Unemployment Compensation

Sec. 701. (a) No individual who otherwise is entitled, under title XV of the Social Security Act or the unemployment compensation law of any State, to any unemployment benefit shall be denied such benefit, or have such benefit reduced, solely because he or any other person participated in any work, training, or other activity, provided by any program established by, pursuant to, or assisted under, title I or II of this Act.

(b) No individual shall be denied participation in any work, training, or other activity provided by any program established by, pursuant to, or assisted under, title I or II of this Act solely because he, or any other person, receives, or is entitled to receive, any benefit under any unemployment compensation law.

##### Public Assistance

Sec. 702. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State

plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

Mr. LANDRUM. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANDRUM: Strike out all after the enacting clause of the bill S. 2642 and insert in lieu thereof the provisions contained in H.R. 11377 as passed by the House, as follows:

"H.R. 11377

"An act to mobilize the human and financial resources of the Nation to combat poverty in the United States

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Economic Opportunity Act of 1964'.

##### "FINDINGS AND DECLARATION OF PURPOSE

"SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

##### "TITLE I—YOUTH PROGRAMS

###### "Part A—Job Corps

###### "Statement of Purpose

"SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

###### "Establishment of Job Corps

"SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the 'Office'), established by title VI, a Job Corps (hereinafter referred to as the 'Corps').

###### "Job Corps Program

"SEC. 103. The Director of the Office (hereinafter referred to as the 'Director') is authorized to—

"(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not lim-

ited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

"(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

"(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

"(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

"(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

###### "Composition of the Corps

"SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.).

"(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

"(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

"(d) Each enrollee must execute and file with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods, and (2) each enrollee must take and subscribe to an oath or affirmation in the following form: 'I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic.' The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits.

###### "Allowance and Maintenance

"SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former



enrollees from places of termination to their homes.

"(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however,* That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

#### "Application of Provisions of Federal Law

"SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

"(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

"(c) (1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term 'employee' as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

"(2) For purposes of this subsection:

"(A) The term 'performance of duty' in the Federal Employees' Compensation Act shall not be any act of an enrollee—

"(i) while on authorized leave or pass; or

"(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

"(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d) (1) of the former Act (5 U.S.C. 756(d) (1)) shall apply to enrollees.

"(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

"(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

"(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

#### "Political Discrimination and Political Activity

"SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

"(b) No officer, employee, or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates. Any officer, employee, enrollee or Federal employee who solicits funds for political purposes from members of the Corps, shall be in violation of the Corrupt Practices Act.

"(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

#### "State-Operated Youth Camps

"SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

#### "Requirement for State Approval of Conservation Camps and Training Centers

"SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

"SEC. 110. Within the Job Corps there is authorized a Youth Conservation Corps in which at any one time no less than 40 per centum of the enrollees under this part shall be assigned to camps where their work activity is directed primarily toward conserving, developing, and managing the public natural resources of the Nation, and developing, managing, and protecting public recreational areas. Such work activity shall be performed under the direction of members of agencies charged with the responsibility of conserving, developing, and managing the public natural resources and of developing, managing, and protecting public recreational areas.

#### "Part B—Work-training programs

##### "Statement of Purpose

"SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and

community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations (other than political parties) will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

#### "Development of Programs

"SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations (other than political parties) in developing programs for the employment of young people in State and community activities hereinafter authorized, which whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

#### "Financial Assistance

"SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

"(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

"(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

"(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

"(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

"(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

"(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

"(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

"(b) In approving projects under this part, the Director shall give priority to projects with high training potential.



#### "Enrollees in Program"

"Sec. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

"(b) Enrolees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

"(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

#### "Limitations on Federal Assistance"

"Sec. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

#### "Equitable Distribution of Assistance"

"Sec. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

#### "Part C—Work-study programs"

##### "Statement of Purpose"

"Sec. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

##### "Allotments to States"

"Sec. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

"(b) Of the sums being allotted under this subsection—

"(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

"(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

"(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

"(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

"(d) For purposes of this section, the term 'State' does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

#### "Grants for Work-Study Programs"

"Sec. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

#### "Conditions of Agreements"

"Sec. 124. An agreement entered into pursuant to section 123 shall—

"(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

"(1) for the institution itself, or

"(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

"(A) the work is related to the student's educational objective, or

"(B) such work (1) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee;

*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

"(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

"(c) provide that employment under such work-study program shall be furnished only

to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

"(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

"(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

"(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

"(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

"(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### "Sources of Matching Funds"

Sec. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### "Equitable Distribution of Assistance"

"Sec. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### "Part D—Authorization of appropriations"

"Sec. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### "TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS"

##### "Part A—General community action programs"

##### "Statement of Purpose"

"Sec. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.



### "Community Action Programs"

"SEC. 202. (a) The term 'community action program' means a program—

"(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a 'community'), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

"(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn and work;

"(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

"(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (other than a political party), or a combination thereof.

"(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

### "Allotments to States"

"SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

"(b) Of the sums being allotted under this subsection—

"(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

"(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

"(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

"(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being

reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"(d) For the purposes of this section, the term 'State' does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

### "Financial Assistance for Development of Community Action Programs"

"SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

### "Financial Assistance for Conduct and Administration of Community Action Programs"

"SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

"(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

"(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

"(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

### "Technical Assistance"

"SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

### "Research, Training, and Demonstrations"

"SEC. 207. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

### "Limitations on Federal Assistance"

"SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

"(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

### "Participation of State Agencies"

"SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

"(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

"(c) In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however*, That this section shall not apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of the approval of this Act.

"(d) No private institution or organization shall be eligible for participation under this part unless it (1) is itself an institution or organization which has, prior to its consideration for such participation, had a concern with problems of poverty, or (2) is sponsored by one or more such institutions or organizations or by a public agency, or (3) is an institution of higher education (as



defined by section 401(f) of the Higher Education Facilities Act of 1963).

#### "Equitable Distribution of Assistance

"Sec. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; (6) persons rejected for military service; and (7) persons living in urban places compared to the number living in rural places as determined by the Bureau of the Census for the 1960 census.

#### "Preference for Components of Approved Programs

"Sec. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

#### "Part B—Adult basic education programs

##### "Declaration of Purpose

"Sec. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

##### "Grants to States

"Sec. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

"(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

"(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

"(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

"(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

##### "State Plans

"Sec. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

"(1) provides for administration thereof by the State educational agency;

"(2) provides that such agency will make such reports to the Director, in such form

and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

"(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

"(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

"(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

"(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

##### "Allotments

"Sec. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term 'State' shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

"(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions

shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

##### "Payments

"Sec. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

"(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

##### "Operation of State Plans; Hearings and Judicial Review

"Sec. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

"(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evi-



dence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action:

**"Miscellaneous**

SEC. 218. For purposes of this part—

"(1) the term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

"(2) the term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

**"Part C—Voluntary assistance program for needy children**

**"Statement of Purpose**

"SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or core needy children, in a program coordinated with city or county social welfare agencies.

**"Authority to Establish Information Center**

"SEC. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

"(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

**"Part D—Authorization of appropriations**

"SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

**"TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS**

**"Statement of purpose**

"SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

**"Part A—Authority to make grants and loans**

"SEC. 302. (a) The Director is authorized to make—

"(1) loans having a maximum maturity of 15 years and in amounts not exceeding \$2,500 in the aggregate to any low income rural family where, in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

"(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

"(B) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

"(C) participate in cooperative associations; and/or to finance nonagricultural enterprises which will enable such families to supplement their income.

"(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

**"Cooperative Associations**

"SEC. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

**"Limitations on Assistance**

"SEC. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

"(a) the providing of such assistance will materially further the purposes of this part, and

"(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

**"Loan Terms and Conditions**

"SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

"(a) there is reasonable assurance of repayment of the loan;

"(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

"(e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and

"(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

**"Part B—Assistance for migrant, and other seasonally employed, agricultural employees and their families**

"SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant, and other seasonally employed, agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

**"Part C—Authorization of appropriations**

"SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

**"Part D—Indemnity payments to dairy farmers**

"SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

"(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

"(c) The authority granted under this section shall expire on January 31, 1965.

**"TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES**

**"Statement of purpose**

"SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

**"Loans, participations, and guaranties**

"SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial



assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

#### "Coordination With Community Action Programs

"SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

#### "Financing Under Small Business Act

"SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

#### "Loan Terms and Conditions

"SEC. 405. Loans made pursuant to section 402 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations —

"(a) there is reasonable assurance of repayment of the loan;

"(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

"(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

#### "Limitation on Financial Assistance

"SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

#### "Duration of Program

"SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

#### "TITLE V—WORK EXPERIENCE PROGRAMS

##### "Statement of Purpose

"SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs

available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

#### "Payments for Experimental, Pilot, and Demonstration Projects

"SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

#### "Authorization of Appropriations

"SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

#### "TITLE VI—ADMINISTRATION AND COORDINATION

##### "Part A—Administration

##### "Office of Economic Opportunity

"SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

"(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332–3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

"(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

"(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

"(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

##### "AUTHORITY OF DIRECTOR

"SEC. 602. In addition to the authority conferred upon him by other sections of this

Act, the Director is authorized, in carrying out his functions under this Act, to—

"(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

"(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided, however*, That contracts for such employment may be renewed annually;

"(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

"(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

"(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

"(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

"(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

"(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

"(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

"(j) adopt an official seal, which shall be judicially noticed;

"(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;



"(1) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

"(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

"(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

#### "Volunteers in Service to America

"SEC. 603. (a) The Director is authorized to recruit, select, train, and—

"(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

"(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

"(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

"(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the

Director may deem necessary or appropriate for their needs.

"(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

#### "Economic Opportunity Council

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

"(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### "National Advisory Council

"SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### "Revolving Fund

"SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

"(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

"(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

"(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

#### "Labor Standards

"SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### "Reports

"SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### "Definitions

"SEC. 609. As used in this Act:

"(a) The term 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term 'United States', when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

"(b) The term 'agency', unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

"(c) The term 'family,' in the case of a Job Corps enrollee, means—

"(1) the spouse or child of an enrollee, and  
 "(2) any other relative who draws substantial support from the enrollee.

#### "Part B—Coordination of antipoverty programs

##### "Coordination

"SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

"(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

"(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

"(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

"(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

"(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

"(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any



new department or office when the intended function is being performed by an existing department or office.

#### "Preference to Community Action Programs

"SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### "Information Center

"SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### "Prohibition of Federal Control

"SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### "Authorization of Appropriations

"SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

"SEC. 616. No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments to any individual unless such individual has executed and filed with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods.

#### "TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

##### "Public Assistance

"SEC. 701. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

"(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

"(2) no payments made to or on behalf of any person for or with respect to any

month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

"(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need for any member thereof under such approved State plan.

"(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a)."

The amendment was agreed to.

The Senate bill was read a third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 11377) was laid on the table.

#### PERSONAL ANNOUNCEMENT

Mr. LONG of Maryland. Mr. Speaker, on rollcall No. 216 I am recorded as not voting. I was present and I wish to be recorded in favor of the bill. Though I did not vote, I was present. Had I voted I would have voted "yea."

I ask unanimous consent that this statement may appear in the RECORD immediately following the passage of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

#### ECONOMIC OPPORTUNITY ACT OF 1964

Mr. WHARTON. Mr. Speaker, in order to grasp the complete significance of the poverty bill, H.R. 11377, one must revert to the ancient Chinese custom of first reading its fine print from the back. It carries a price tag of \$962 million, which means over \$5 per capita or about \$20 in additional taxes from each U.S. family. Once instituted, additional funds will, of course, be required. Realistically, on the President's own figures of 35 million needy persons, each would receive \$28—less the cost of administering the program, which has by no means been overlooked.

Near the end of this voluminous document, a new bureau is to be set up in Washington known as "The Office of Economic Opportunity," with a Director and four Deputy Directors, all I presume in the \$30,000 per annual salary range. There is no limit set on the number of subordinates and garden variety workers, who will undoubtedly number in the thousands. "Consultants" may be employed at the rate of \$100 per day and this alone should lend encouragement to uncommitted Democratic politicians.

Considerable space is attributed to the work training and study programs, although these items are already authorized under existing laws. Community action, under still another heading, is a

sweeping designation that sounds suspiciously like the so-called achievements of the faltering Area Redevelopment Administration, which Congress has already found wanting and impractical of operation.

There is also mention of rural assistance in the form of grants or loans of \$1,500 up to \$2,500 to indigent farmers, but these cases could only be anticipated for publicity purposes as this is also a loose duplication of the existing Farmers Home Administration loan program. The inflated cost of farm equipment and operation today suggests that such payments at best would afford little more than a downpayment for further indebtedness.

A Job Corps provision anticipates 40,000 enrollees at a first year's figure of \$4,700 each for work camp or training center experience for youths in the 16 to 21 age bracket. This is simply a return to the CCC camps of the depressed thirties.

Conceived in last-minute political haste, this bill completely ignores the aged and the very young, who together constitute the largest group of needy citizens, and it is regrettable that a more meaningful and constructive measure could not have been devised to eliminate the blight of poverty. While the hidden provisions of this bill have not been widely publicized, the foregoing features certainly suggest the feasibility of tagging this new bureaucracy the administration's "Reelection Agency."

I cannot go along with the argument that this is a good bill but in opposing it I will continue to support and vote for realistic and workable measures to alleviate poverty, encourage education and job training, provide better housing and living conditions for all.

Mr. HAWKINS. Mr. Speaker, it seems an anomaly that efforts to improve the condition of the most needy people in this country should invoke such loud dissent. It is difficult to believe that those who are able to enjoy all the comforts which our economy has provided would expend so much effort to disappoint the hopes of those who, because of their impoverished condition, are committed to a fundamentally different type of life than the majority of Americans and who have, as their main preoccupation, a concern with those things which most of us can take for granted. It is incomprehensible that in an enlightened age such loud voices would sound out against legislation which represents a simple humanitarian act, and whose consequence would be to unburden our economy by diminishing the number of unskilled and illiterate in the labor force.

I, therefore, urge the House not to take the counsel of gentlemen who may not know the misery and frustration and hopelessness of the very poor and therefore may not understand the real reasons for some urgency in aiding the impoverished. I call upon the Members here to resist the arguments which would deny the good will of the majority of the needy.

This country has great potentialities for growth. It can abolish poverty. It has, for a long time, had the resources



to do so. This means a man has died today never having had the opportunity which this country could provide. Though the poor may desire to enter into the economic activity of the Nation, though they may desire to contribute much to the well-being of others by the use of their talents, they cannot do so because they lack the education and the skills which would make their innate abilities effective.

The opponents of this bill say that they are against poverty and favor giving aid to the poor, but that they differ with the advocates of H.R. 11377 on the methods of attacking poverty. Yet opposing methods would be harmless if it did not prevent the fulfillment of our objective. We have no great stake in one set of methods if another set of methods would cure the same ills.

We want to do the greatest good at the least cost. We are willing to adopt the best means of doing this job, and the shortest road to this goal. There may be other methods, but convincing arguments have not been advanced on their behalf.

It is contended by some that helping the impoverished is a State responsibility, and one in which the Federal Government ought not to be involved. Instead of sharing in the responsibility of dealing with what is essentially a national problem, we are left in the passive role of hoping that some day poverty will end.

The testimony before the Committee on Education and Labor indicated that, though many State governments did not lack the will to deal with poverty, they lack the resources and spending power. The States have used their resources to the utmost. Spending more on poverty now would be at the sacrifice of some other State program, such as education, or pushing more local taxpayers into poverty themselves.

But the national character of the problem is made all the clearer by the fact that even if a given State makes progress in abolishing poverty, it then attracts more of the poor. The poverty stricken will migrate to those areas where the problem has been solved. If the Federal Government were prevented from dealing with poverty wherever it exists, the potentiality of the canceling out what it has done would be an ever-present danger in the form of the mobile unskilled who are unemployed.

Therefore, the task of increasing the skills of the very poor is undertaken to dispose of a national responsibility which, if ignored, would allow evils to continue which cannot be coped with by any source.

The economic justification for this bill reinforces our taking this action. Spending money to increase the skills of the population increases the Nation's overall capacity to produce, and brings us close to the use of our full national potential for the production of the goods and services which the American people want. To allow these persons to remain unoccupied and unemployed gives rise to two difficulties which become a burden to those who are employed. First, it diverts part of our resources to care

for them, in the form of charity-oriented programs. Secondly, the Nation is denied the greater income which it would have had had these new skills been used. The product which an idle man could have produced while he is unemployed is lost forever, because the time in which he could have produced it can never be recaptured. The wealth which could have been accumulated in that time period is lost forever. Man-hours, unlike coal, is an unstoreable resource.

And as the newly skilled contributes to the increase of the national income, he gains the right to share in the increased wealth. The philosophy behind this bill is not that the old wealth should be redistributed, but that the very poor be given a chance to stand equal with the rest of the population to contribute of their abilities and to share in the product of their newly created skills.

Poverty, in a sense, is the result of the economic change which brings about progress. Unemployment often develops due to the change in consumer demands and industrial needs. Ghost towns come about because what was once demanded is no longer wanted, or because new techniques have taken over from the old. And then, those who acquired skills which are nontransferable from one industry to another, those who formerly provided for our satisfactions—are forgotten. This bill allows their energies to be redirected to satisfy our greater needs.

Some would look for the solution to this problem by relying on "individual initiative." Under this argument, poverty-stricken would raise themselves from their condition by their own means. This is an idealistic view of the economic world. Those who advance this argument do not realize how helpless these people are. A man without resources—without capital or skills—no matter how much personal initiative or personal effort he exerts, cannot raise his status. He may be loaned the capital, but only if he is credit-worthy. Without money, he cannot gain a skill.

The purpose of this bill is to help those persons who possess individual initiative but who are without resources to make it meaningful. It will help those persons who want to improve themselves but who cannot now do so.

Individual initiative and the desire to improve oneself and one's well-being does not create jobs. Only capital—only increased investment—can give rise to increased employment.

It is contended by some who oppose the bill that the provisions of the bill establish another layer of authority which will have suzerainty over the other departments of the administration and inhibit their functions as departments of Government. This is largely a contrived fear, unrelated to any considerations of the present Cabinet members, as they have so testified. It is a consideration which does not have reality in the present administration. This contention postulates that the departments of the administration are warring factions, and that the Office of Economic Opportunity would be an enemy of the

administration and independent of it. As Sargent Shriver points out, it further postulates that this office would be dealing with the departments at arms length.

The Director of the Office of Economic Opportunity is not established as a "czar" under this legislation. On the contrary, he is an instrument of coordination—a means of channeling existing facilities to new ends and a means of avoiding the duplication and costs which would arise from creation of new agencies. The most rational impulse is not to eliminate such coordination, but to leave it in the bill. The costs are decreased by utilizing existing agencies. This method cuts down on wastage by taking advantage of skills and experience already acquired, and using departments and personnel who are already familiar with particular areas. Furthermore, the existing programs attacking poverty may be made more effective if unified and coordinated. The elimination of poverty, under this bill, is given the special attention of a new office, instead of remaining the collateral objective of several departments.

There has been opposition to the broad discretion of the Director. It has been contended that the Director will have uncontrolled authority and power to affect individuals in a way that is unprecedented under legislation passed by Congress. The Director does have broad discretion, but it is likely that poverty will be met in many different forms, and will require many different techniques for combating it. Poverty is a varied thing. One does not find it in uniform entities, like trucks and automobiles. The Director will be confronted with a difficult and complex set of factual circumstances.

That the opposition to this bill is not, in fact, a disagreement over methods is apparent by the recurring reference to the \$3,000 standard which has been used to identify the poor. The contention is, in effect, that our claims of poverty are exaggerated, and that more study and research are necessary to ascertain more accurately the numbers of poor in the country.

First of all, no such standard has been written into the bill.

Secondly, it is not necessary to identify all of the poor in order to aid any of them. Using any standard with which the opposition would agree, more could be identified than could be aided by this legislation. The amount contemplated to be spent on poverty under this legislation could aid only a fraction of those whom the opponents of this bill would concede were the number of poor in this country.

Must we make minute studies to ascertain exact measures and degrees of poverty while any human being, traveling the length and breadth of this country in every city and country area, could confirm an extent and depth of poverty far greater than could be lifted from their subordinate posture of this slight expenditure. Do the gentlemen know that, in Hastings, Fla., 9- and 10-year-olds are forced by their parents' condition to load 100-pound sacks on trucks from 3 p.m., until midnight; that in Alabama people wear clothes made from feed bags; that



in Chicago young girls begin with prostitution at 12, and end in old age at 14; that children in the migrant camps of New Jersey have cradles made of orange crates, so that the first rays of light in their lives gleam through the silhouette of refuse.

Perhaps this is not the best means of dealing with the problem. Perhaps we may, in our experience, find other measures which are far more effective. But these are the best methods which the genius of many have been able to devise. And perhaps the opposition to our methods is a method of delay, political expediency, or just plain opposition to spending money.

I earnestly hope for favorable action on this bill. I do not hesitate to advocate a good cause. At least we shall be able to say we have made an effort. We will determine by our action whether a great Nation can react to the torment of the deprived minority within its boundaries; whether we will help where we can or whether we will be on the side of the historic villain; whether we will quibble with numbers and figures, irrelevant and unrelated to the expenditure of a billion dollars; whether we will twist imaginations and contrive fears and invoke fantasies of a czar arising within our democratic Government. I do not envy those opposed to this measure, who must champion a cause against a crusade against poverty. Generations call down upon us to use our sovereignty to abolish poverty from the land.

For so many of us who have so many comforts, poverty is unseen and unreal. But for the slum dweller, it is real. It is real for the man, physically strong, who has acquired a skill in his lifetime which has been made useless by progress. It permanently denies many intelligent young men the promise of a useful life. It is perpetuated in families through parents who can will their heirs nothing but hopelessness. Like the angel of death, it makes its visits on the households which have not spread upon the lintel of their doorposts the emblem of enlightenment.

We make an effort in this bill to aid the impoverished because an urgent cry always distresses, and because an anguished call ought to be answered. We are making a fight against poverty this year because visions of ghost towns filled with jobless men are all the more real to us than a czar in this country.

This is a historic session of our Congress. It is the session in which a giant step was made in assuring constitutional rights; and it will be the year that this great Nation, with the resources of many, came to the aid of its poor. In the years to come, we shall have to be judged.

I am assured by this legislation that I will be able to say "I am grateful to have been there."

Mr. MATSUNAGA. Mr. Speaker, a prized tradition of this great Nation of ours is that a person born in poverty may rise to be a millionaire. The legend of Horatio Alger has been enacted into real life drama time and time again. Paradoxically, it is also true that in this land of plenty, wherein the oversupply of agri-

cultural food products constitutes a major national problem, there are 35 to 40 million people hovering on poverty. Eleven million children go to bed hungry every night, many of whom are to be found right here in our Nation's Capital.

Last summer, my family went on a picnic right here in the District of Columbia. After we had finished our picnic lunch, we wrapped up the leftovers in old newspapers and my 12-year-old son threw them in a trash can nearby. No sooner had he done this, than six boys, ranging in age from about 6 to 10 years, made a mad dash for the trash can and fought over the garbage.

It is indeed an ugly blot on our national image that this almost incredible scene is being repeated daily in many parts of our country. This cancerous social malady is affecting our whole national character, not only domestically but internationally as well. Unless we as a nation make every effort to cure ourselves of this grave social illness, we certainly are not going to be very successful in convincing the newly rising nations of Asia and Africa that our system of society is worth emulating.

From the standpoint of our own national security, we must realize that our Nation today is in constant competition economically with other nations of the world. In the long run the competition will be determined by the productivity or nonproductivity of the people of the respective nations. We simply cannot afford any large numbers of unemployables in our population. But the number of out-of-school and unemployed young people in our country is growing at an alarming rate. It rose from 450,000 in 1960 to 700,000 in 1962, and to almost 1 million in 1964. We must stem this tide.

The bill under consideration appears to offer a comprehensive program of education and training through concerted community action. This type of action in my view is the only real solution to the weighty problems of poverty and unemployment facing our Nation. I urge passage of H.R. 11377.

Mr. LINDSAY. Mr. Speaker, I believe there should be poverty legislation. I have supported, therefore, the Frelinghuysen bill—an excellent bill that provides more effective assistance for New York than any other. The Frelinghuysen bill having failed by a vote of 117 to 295, I have supported S. 2642, the Senate-passed poverty bill. This bill passed the House by a vote of 228 to 184.

Prior to these votes there were two votes of key importance. The first was a motion to strike the enacting clause, offered by the gentleman from Virginia, Judge SMITH. This was an effort to kill any and all poverty legislation, whether the Frelinghuysen bill, or S. 2642, or the original House bill, H.R. 11377. I voted against the motion, along with 17 other Republicans, most of whom like myself favored the Frelinghuysen bill, and 208 Democrats. The Smith motion to end all consideration of all bills was beaten, 225 to 197.

Then there was a motion to substitute the Senate bill for the original House bill, which carried 228 to 190. The Senate

bill on the whole is a better-drafted bill and far tighter than the House bill. I supported that motion.

First, let me describe the bill offered by the Republican gentleman from New Jersey [Mr. FRELINGHUYSEN]. That bill, as I have noted, is more generous to New York than the administration bill. That allots a greater percentage of the total authorized funds to New York than does the administration bill.

All told, the Frelinghuysen bill authorizes a 3-year program with \$1.5 billion to be made available during this period to the 50 States. No more than \$500 million would be available in any one year.

Funds are allotted to the States on the basis of population, per capita income, and number of unemployed persons in each State.

States desiring to take part first, designate a broadly representative State agency to administer the program; and, second, submit to the Secretary of HEW a State plan designed to attack poverty.

The State plan provides for a coordinated State attack on poverty, involving both State and community action programs in the following fields:

First. Special educational, work-study, vocational workcamp, and similar activities for out-of-school, unemployed youth, or for youth who need help to remain in school;

Second. Special remedial and other educational programs, and social and health programs for schools in economically or socially depressed areas—including nonsectarian programs of a similar nature in private schools;

Third. Broad programs of social and economic redevelopment, in urban areas and rural areas, including health, housing, employment, and education; and

Fourth. Special programs to aid the aged and other groups of citizens to prevent dependency.

Federal funds must be matched one-third and one-half, respectively, in the second and third year. No matching required in the first year; reasonable value of contributed goods and services counted for matching.

Federal agencies must conduct thorough studies of problems of use of selective service tests; rapid reporting of job availability; causes of unemployment; causes of educational failure, and so forth, and report back to the Congress within 1 year.

The bill provides for coordination of existing Federal antipoverty programs through the Secretary of HEW, and for relating such programs to the State plans developed under this act; establishes a National Advisory Council to assist the Secretary; establishes a Federal Commission on Poverty composed of agency heads, Members of Congress, and public members to study existing Federal antipoverty programs and recommend coordination, combination, or revision of Federal laws.

The distribution of 500 million, with 50 percent on the basis of population; 25 percent on the basis of State products—population and per capita income—with limits of 25 to 75 percent; and 25 percent



on the basis of number of unemployed persons, is estimated, as follows:

|                                    | Estimated State<br>amounts |
|------------------------------------|----------------------------|
| United States and outlying parts   | \$500,000,000              |
| 50 States and District of Columbia | 491,342,579                |
| Alabama                            | 9,330,273                  |
| Alaska                             | 653,768                    |
| Arizona                            | 3,917,958                  |
| Arkansas                           | 5,221,486                  |
| California                         | 43,819,236                 |
| Colorado                           | 4,771,790                  |
| Connecticut                        | 6,439,419                  |
| Delaware                           | 1,104,436                  |
| Florida                            | 15,080,652                 |
| Georgia                            | 10,983,732                 |
| Hawaii                             | 1,704,423                  |
| Idaho                              | 1,942,707                  |
| Illinois                           | 25,080,408                 |
| Indiana                            | 12,015,352                 |
| Iowa                               | 6,639,612                  |
| Kansas                             | 5,370,013                  |
| Kentucky                           | 8,574,822                  |
| Louisiana                          | 9,543,120                  |
| Maine                              | 2,675,962                  |
| Maryland                           | 8,100,750                  |
| Massachusetts                      | 13,537,190                 |
| Michigan                           | 21,695,274                 |
| Minnesota                          | 9,338,188                  |
| Mississippi                        | 6,370,191                  |
| Missouri                           | 11,451,681                 |
| Montana                            | 1,827,252                  |
| Nebraska                           | 3,517,464                  |
| Nevada                             | 875,602                    |
| New Hampshire                      | 1,541,425                  |
| New Jersey                         | 16,841,570                 |
| New Mexico                         | 2,612,249                  |
| New York                           | 44,816,443                 |
| North Carolina                     | 12,611,117                 |
| North Dakota                       | 1,690,074                  |
| Ohio                               | 26,327,499                 |
| Oklahoma                           | 6,491,896                  |
| Oregon                             | 4,764,487                  |
| Pennsylvania                       | 33,652,292                 |
| Rhode Island                       | 2,502,803                  |
| South Carolina                     | 6,669,959                  |
| South Dakota                       | 1,767,887                  |
| Tennessee                          | 10,292,317                 |
| Texas                              | 26,542,529                 |
| Utah                               | 2,498,730                  |
| Vermont                            | 1,078,998                  |
| Virginia                           | 10,516,105                 |
| Washington                         | 7,749,656                  |
| West Virginia                      | 5,779,635                  |
| Wisconsin                          | 10,029,335                 |
| Wyoming                            | 920,024                    |
| District of Columbia               | 2,062,788                  |
| American Samoa                     | 100,000                    |
| Canal Zone                         |                            |
| Guam                               | 176,632                    |
| Puerto Rico                        | 8,271,739                  |
| Virgin Islands                     | 109,050                    |

The Frelinghuysen bill was defeated, as I have noted, by a vote of 295 to 117.

So we come, then, to S. 2642, the bill that was finally passed 226 to 184 and for which I voted. I support the bill because, in spite of its shortcomings and weaknesses, it is far better than nothing.

There is no doubt that we need a bill that will mobilize the human and financial resources of the Nation to combat hopeless and abject poverty, especially in tension-ridden ghettos in our big cities. This does not mean that I do not have reservations about this bill. I do. But my support is compelled by certain painful and unavoidable realities. There is no escaping the fact that for too long the problem of the city ghetto has been allowed to lie still. That being so, the problem has grown. It has widened, deepened and festered. And, having done this, it has become a national problem of great gravity. One need only

examine the tensions in Harlem and the Bedford-Stuyvesant section of Brooklyn to understand this.

At present, the Bureau of Statistics estimates that a family of four needs an annual minimum salary of \$6,000 to live adequately in the average city. The President's Council of Economic Advisors says poverty begins when a family earns half of that—\$3,000 or less per year. This definition may not be perfect, but many scholars agree with it, or agree with formulas that arrive at the same general conclusion: that some 35 million Americans, or one-fifth of the population, live in constant strain. But worse than this is the cycle of hopelessness found by young people in these crowded city ghettos.

Who are the poor? The report of a 3-year study, issued by the National Policy Committee on Pockets of Poverty, points out that "poverty is no longer a condition which strikes all kinds of individuals but rather tends to characterize the great majority of individuals in certain large poverty-linked groups." The report notes that in 1960 only one in eight of America's families as a whole had a cash income below the destitute level of \$2,000. However, the proportion rose to one in three in the following poverty-linked groups: nonwhite families, families headed by a female, couples 65 years of age or over, some farming families, families whose heads had less than 8 years' education, and families whose heads had at most only part-time work experience.

Will this bill help solve the problem of poverty in America? I think it is a start. In addition, I think it is realistic in that it attempts—with the exception of the elderly—to reach these poverty-linked groups. It is particularly constructive in its attempt to reach young people, whose ranks are contributing increasing numbers to the unemployed. It is a sad fact that 21.7 percent of all those who register for Selective Service fail a simple mental test and are rejected. Although there is some truth to the charge that this bill bypasses existing Federal agencies, that charge is not a full answer either to the problem or to this proposed solution or partial solution. This measure attempts to reach those persons who are not reached by existing programs. The proposed legislation attempts to reach the illiterate and unskilled in a way they have not been reached before. It will attempt to impart the education and skills needed for persons to fit into our increasingly automated and complex society.

Some would stop the entire bill because, in their view, education, job retraining, and community action programs will not, by themselves, decrease unemployment if the economy is growing too slowly. It is argued that the only answer to poverty is vast increases in the number of jobs. This position is in part correct, but growing wealth will not, by itself, solve the problem of poverty. As one economist put it, "Growth is only for those who can take advantage of it." We must not forget that the prolonged upturn in production starting in 1961

has not substantially decreased the rate of unemployment. This bill is a small step forward in helping an increased number of workers "fit" our highly technological economy.

Moreover, the bill, in my view, renews our capacity to innovate, to experiment in tentative solutions to complex social problems. Further, the bill will stir our national conscience and direct attention to the existence of "invisible" pockets of poverty in our largely affluent society. It provides a moral and political basis to act on a pressing and long-overlooked social problem. Indeed, the time is long overdue for the Nation's conscience and resources to be mobilized for a concerted war on the problems of Harlem, Bedford-Stuyvesant, and all the other "pockets" of despair, frustration, and poverty that persist in existing in our country.

Even title I, particularly the community work-training and work-study features, may in the long run yield valuable returns. The importance of this title is made clear by the estimates of some authorities that by 1970 about 9 or 10 million persons will be unemployed, of which roughly half will be under 25. This recalls the gloomy prediction years ago of H. G. Wells, who wrote that a particular consequence of the onrush of technological invention in our time was the release of a great flood of human energy in the form of unhappy unemployed young people. He called these young people shock troops in the destruction of the social order. If title I can make some small contribution to the defusing of this potential time bomb, then it deserves our support.

Perhaps the most promising of the bill's titles is title II under which community action programs would be established to strike at poverty at its source. This title would authorize a new system of Federal grants and other types of payments to public or private nonprofit agencies carrying out approved community programs for the benefit of low-income individuals, families, and groups of persons. After title II, the provision in title VI which authorizes a volunteer corps is a reasonable, and inexpensive proposal. It seeks to tap the idealism and energies of American young people who would, for very little pay, go into rural and urban communities and devote their full time and energies to the task of education and assisting low-income persons in ghetto areas and in poverty-stricken rural areas.

Title IV offers two programs: First, 25-year loans to private employers who agree to expand employment and recruit additional employees from the long-term unemployed and members of low-income families; and second, special-type small business loans of up to \$15,000 for 15-year terms. Finally, title V would entail an expansion of demonstration projects offering assistance payments and work-training for recipients of public welfare aid, principally unemployed fathers, under auspices of the Department of Health, Education, and Welfare.

A moment ago I said that the bill could and should have been far better.



The administration has shown clumsiness and weakness in some respects. My most immediate apprehension is that the administration and the majority on the committee have now gone too far in building into it States' rights provisions. I say this as one who, after an initial reading of the original administration bill, believed Governors' powers should have been broadened. However, I have grave doubts about the advisability of giving Governors the extensive veto powers the new proposal gives them. A middle ground should have been struck.

The bill has also been criticized as "grossly inadequate," "unsound," and "a jerrybuilt political showpiece." While these charges are overdrawn, there is an element of justice in some of them. I must admit I have a hard time believing that this is the best bill that could be devised by the administration to fight poverty, or that it is the best measure that can be devised by the Congress. In some respects it is quite shallow and reflects, really, lack of deep knowledge on the part of the administration about the problems of the city ghetto.

An immediate example is the Job Corps under title I. Under the proposed Job Corps more than 700,000 young men and women from low-income families would be housed in conservation camps where they would perform tasks in conservation, and, hopefully, acquire basic educational skills and develop better work habits. The Job Corps is indeed admirable in theory, but it also raises questions. For example, how would the Job Corps engender a sense of social responsibility in youths removed to a strange environment, who to a large degree are persons on whom the long-established educational and other institutions of society have failed? A specialist in child development recently told a Washington reporter, with respect to the proposed Job Corps camp, that "If we have learned anything in the scientific studies of human behavior during the last 50 years, it is that you cannot teach citizenship and social responsibility while removing a person from the society in which he is to become responsible."

Undoubtedly the most questionable of the bill's seven titles is title III, which would extend loans and make available other benefits to low-income rural families. The most obvious question here is the advisability of assisting the most unpromising farmers, which might well have the effect of perpetuating poverty on the farm. Should not government policy encourage by careful and constructive means the phasing out of small unproductive farms? Additional manpower retraining programs can be the answer here.

In addition, objections can be made about what this bill omits. For example, as my colleague, the gentleman from New Jersey [Mr. FRELINGHUYSEN], pointed out some weeks ago, the administration bill "completely ignores elder citizens, the largest single group among the poor." And most serious of all, while the administration boasts widely about what the bill will do, it says nothing about housing and little about basic education.

I nevertheless support it. I do so because I think its merits outweigh its drawbacks. The bill is not a panacea, it is barely a start. But programs are needed to rehabilitate impoverished human beings and prepare them for more productive lives. Contrary to some charges leveled against the measure, the bill does not attempt to accomplish this by dole or expanding relief benefits. Indeed, a noteworthy feature of this measure is that it attempts to improve the condition of the poor by preparing them to play a useful and constructive role in our increasingly complex society.

For these reasons, I have supported the bill.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

#### THE LATE HONORABLE ALBERT E. CARTER

(Mr. MILLER of California asked and given permission to address the House House for 1 minute.)

Mr. MILLER of California. Mr. Speaker, I regret to inform the House that last night the Honorable Albert E. Carter, a Member of this body for 20 years, my immediate predecessor, passed away. Mr. Carter was known to all of you, and I am sure that he will be missed. At a later date we of the California delegation will seek to pay homage to him.

Mr. McCORMACK. Mr. Speaker, I felt very sorry—and I feel very sorry now—when I heard a few minutes ago our distinguished friend from California [Mr. MILLER] announce the death of our late distinguished colleague Albert E. Carter.

Al Carter was one of the finest gentlemen I have ever met or anyone else has ever met. For many years he labored under great physical difficulty. I always was glad to see him when he visited us in the House. His inspiring countenance and wonderful warm personality will be greatly missed.

He was an outstanding Member of this House; a man with a noble outlook on life which was refreshing. He was kind, understanding, and considerate. To me he was always an inspiration.

Between Al Carter and I there developed throughout the years a very close feeling of respect and friendship. I profoundly respected him, and I entertained for him the strongest feeling of friendship humanly possible.

I am going to miss Al Carter, as will all who knew him. But he has left a heritage to all of us—a heritage of a good man with a wonderful mind, possessed of all those fine, deep, and nice characteristics which make up nobility of

character. He was one of God's noble men.

I extend to Mrs. Carter my profound sympathy in her bereavement.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the distinguished minority leader.

Mr. HALLECK. I wish to say that certainly those of us on this side of the aisle who knew, respected, and admired Al Carter appreciate very much what the distinguished Speaker of the House of Representatives has just said of his life and character. There is no question that he was one of the finest and most able men who ever served in this body.

After he left this body he returned to visit us frequently, always cheerful and always pleasant. We were always happy to see him.

His wife, as many of the wives of Members on this side of the aisle well know, was one of the leaders among them who worked diligently to keep them in contact with one another.

It is with deep regret that I, too, express my great sorrow at the passing of such a fine and wonderful man.

Mrs. FRANCES P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Ohio.

Mrs. FRANCES P. BOLTON. I should like to associate myself with what the able Speaker has said and also with what the able minority leader has said.

Al Carter was one of my friends, as is his wife. I feel this about his passing: Yes, we will miss him, but surely he has gone where, as some have said, it is all glory. He certainly earned the right to go. I cannot mourn, as I might with a younger man, but I rejoice deeply in his release, much as I naturally sympathize with his widow.

Thank you very much.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I was shocked and grieved to learn about an hour ago from Al Carter's nephew, Frank Mayfield, of California, that Al had passed to his reward. I came here in 1939 and soon became acquainted with Al Carter. Then 4 years thereafter I became a member of the Committee on Appropriations and was assigned as a member of the Interior Subcommittee on Appropriations of which Mr. Carter was a member. I learned to admire Mr. Carter in all his doings. I learned to know his heartbeats, I learned to know him as a man of outstanding qualifications, a man of honesty and integrity.

Mrs. Jensen and Mrs. Carter were very close friends. Mrs. Carter was very active among congressional women. She was quite nonpartisan in all her activities. She only worked for the good of the ladies whose husbands were Members of Congress and the ladies of Congress who knew her well knew of her good works.

Al Carter was a man of outstanding ability. He was a true friend. He liked people. I never heard Al Carter speak harshly of anyone. He had a heart of gold. I shall miss my friend Al. I know



most of the Members of this House and most everyone that knew Al Carter will miss him. My heart and the heart of my wife go out to Mrs. Carter and their family. Al Carter and Mrs. Carter did much to educate several of their nieces. I have heard those nieces praise Al and Mrs. Carter as the folks that really were responsible for their education to a great degree.

May God rest the soul of this great and good man, Albert E. Carter.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, the district which I now represent was entirely within the district which was represented by Al Carter during his years of distinguished service here in Congress. Many of my constituents are long time friends and warm admirers of Al Carter. Because of the fact that he had represented the area which I now represent, I came to know him almost immediately when I came to Congress, because he was one of those men who became so devoted to Congress that even though he was no longer serving in Congress, he frequently came back to visit. For this reason I got to know him almost immediately. He was a very fine, a very distinguished man, a man of very high principles.

His wife was the lady who called together the ladies of the 84th club when we first came to Congress and they formed an 84th wives club. She had done that for many years before, and she has done it ever since. She had a great devotion to Congress and to bringing together the wives of each group of incoming Congressmen so that their lives might be made more pleasant, more enjoyable.

Al Carter has left behind him many admirers and many friends who will be thinking of Mrs. Carter in this hour of her bereavement.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, having made the announcement, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the life and accomplishments of Albert Carter, our late colleague.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. GUBSER. Mr. Speaker, I well remember almost 12 years ago when my family and I moved to Washington to take up our new and interesting life as a Member of Congress that two of the most helpful hands which were extended to us, to assist us in making this difficult transition, were the hands of Mr. and Mrs. Al Carter. Throughout the 12 years in which I have served in this body I have noted that with each new crop of freshmen coming to the Congress Al and Mrs. Carter were there to help them as they had helped my family and myself. This came to be symbolic of the

Carters, who were always extending themselves to help others.

Unfortunately, half of that team is no longer with us. We shall all deeply miss Al Carter. Certainly one of the great tributes to him as a man is that the good will he spread as a Member of Congress continued long after his service in the Congress had ended and was extended to so many others.

I am confident that though he has gone the memory, the good feeling, and the good will of Al Carter will live on.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Mr. Speaker, I was greatly saddened when I learned of the passing of our good friend Albert Carter. I wish to join our distinguished Speaker and my other colleagues in paying tribute to our former colleague, who was held in such great affection. When I first came to Congress Albert Carter was one of the most respected and outstanding Members of the House. I soon learned to love him as everyone did. We formed a friendship which has lasted through the years.

Soon after I came in the 77th Congress, a group of House Members who were Rotarians decided to get together for a luncheon once a week. I remember that Al Carter was very active in this group and we always enjoyed his fellowship.

Al Carter was a great American. It was a privilege to serve with him in Congress. I enjoyed our visits after he left Congress, and I recall he visited the House frequently. Al Carter was a genial person and always had a friendly smile. I shall always have happy recollections of our friendship and association over the years. Mrs. Chenoweth has also greatly valued the friendship of Mrs. Carter.

Mrs. Chenoweth joins me in extending our deep personal sympathy to Mrs. Carter and the other members of the family.

Mr. GROSS. Mr. Speaker, I am indeed sorry to learn of the death of our former colleague, the Honorable Albert Carter.

I shall always remember his visits to the House floor following his retirement from Congress. It was a pleasure to visit with him and draw from the vast store of wisdom which was his. I will miss this kindly man as will many others in the House of Representatives.

Mrs. Gross joins me in these sentiments and in extending sympathy to Mrs. Carter in this time of bereavement.

#### LEGISLATIVE PROGRAM FOR WEEK OF AUGUST 10

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader the program for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Oklahoma.

Mr. ALBERT. In reply to the inquiry of the minority leader, the program for next week is as follows:

Monday:

H.R. 1927, non-service-connected pensions. This will be considered under suspension of the rules.

House Resolution 814, providing for taking H.R. 1839—meat imports: wild birds and wild animals—from the Speaker's table, disagreeing to the Senate amendments, and requesting a conference with the Senate.

Monday is also District Day, and there are nine bills to be considered, as follows:

H.R. 12198, increase in judges retirement.

H.R. 12196, District of Columbia police and firemen pay increase.

H.R. 12042, District of Columbia teachers pay increase.

H.R. 8407, exempt nonresident mortgage companies from District of Columbia franchise tax.

S. 646, location in District of Columbia of foreign chanceries.

S. 1024, relocation costs authorized by commissioners to pay.

H.R. 9774, terminate Columbia Plaza urban renewal project.

H.R. 5990, amend District of Columbia Charitable Solicitation Act.

S. 628, amend District of Columbia Redevelopment Act of 1945.

These bills may not be called in the order in which they are listed.

May I also advise that the legislative appropriation conference report will be called up, and there may be other conference reports of that kind to consider Monday.

Tuesday and balance of week:

House Resolution 818, providing for taking S. 1007—Pacific Northwest electric consumer guarantee—from the Speaker's table and sending the bill to conference.

H.R. 4731, amend Food and Drug Act re-flavoring extracts. Open rule, 1 hour debate.

H.R. 5673, steel container labeling. Open rule, 1 hour debate.

H.R. 1803, Ozark National Scenic Riverways, Mo. Open rule, 1 hour debate.

H.R. 12175, Housing Act of 1964.

S. 1627, International Commission for Supervision and Control in Laos. Open rule, 1 hour debate.

S. 1664, establishing an Administrative Conference of the United States. Open rule, 1 hour debate.

S. 1006, fishing vessel construction. Open rule, 2 hours debate.

S. 254, Supreme Court parking lot. Open rule, 1 hour debate.

S. 1451, claims of shareholders of General Dyestuff Corp.

H.R. 9752, hydroelectric projects on the Colorado River.

Of course this announcement is made subject to the usual reservation that conference reports may be brought up at any time and that any further program will be announced later.

In that regard, Mr. Speaker, we, of course, are going to have conference reports coming out frequently at this time of the session and there may be additions and changes in the program. We will try



# S. 2642

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 8, 1964

Ordered to be printed as passed

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## AN ACT

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Economic Opportunity  
4       Act of 1964".

5               FINDINGS AND DECLARATION OF PURPOSE

6       SEC. 2. Although the economic well-being and pros-  
7       perity of the United States have progressed to a level sur-  
8       passing any achieved in world history, and although these  
9       benefits are widely shared throughout the Nation, poverty  
10       continues to be the lot of a substantial number of our people.  
11       The United States can achieve its full economic and social



1 potential as a nation only if every individual has the oppor-  
2 tunity to contribute to the full extent of his capabilities and  
3 to participate in the workings of our society. It is, therefore,  
4 the policy of the United States to eliminate the paradox of  
5 poverty in the midst of plenty in this Nation by opening to  
6 everyone the opportunity for education and training, the  
7 opportunity to work, and the opportunity to live in decency  
8 and dignity. It is the purpose of this Act to strengthen, sup-  
9 plement, and coordinate efforts in furtherance of that policy.

## 10 TITLE I—YOUTH PROGRAMS

### 11 PART A—JOB CORPS

#### 12 STATEMENT OF PURPOSE

13 SEC. 101. The purpose of this part is to prepare for the  
14 responsibilities of citizenship and to increase the employa-  
15 bility of young men and young women aged sixteen through  
16 twenty-one by providing them in rural and urban residential  
17 centers with education, vocational training, useful work ex-  
18 perience, including work directed toward the conservation of  
19 natural resources, and other appropriate activities.

#### 20 ESTABLISHMENT OF JOB CORPS

21 SEC. 102. In order to carry out the purposes of this  
22 part, there is hereby established within the Office of Eco-  
23 nomic Opportunity (hereinafter referred to as the "Office"),  
24 established by title VI, a Job Corps (hereinafter referred to  
25 as the "Corps").

## JOB CORPS PROGRAM

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the corps: *Provided*, That, where practicable, such programs may be pro-



1        vided through local public educational agencies or by  
2        private vocational educational institutions or technical  
3        institutes where such institutions or institutes can pro-  
4        vide substantially equivalent training with reduced Fed-  
5        eral expenditures;

6            (c) provide or arrange for the provision of pro-  
7        grams of useful work experience and other appropriate  
8        activities for enrollees;

9            (d) establish standards of safety and health for  
10       enrollees; and furnish or arrange for the furnishing of  
11       health services; and

12           (e) prescribe such rules and regulations and make  
13       such arrangements as he deems necessary to provide  
14       for the selection of enrollees and to govern their conduct  
15       after enrollment, including appropriate regulations as  
16       to the circumstances under which enrollment may be  
17       terminated.

#### 18                                          COMPOSITION OF THE CORPS

19        SEC. 104. (a) The Corps shall be composed of young  
20       men and young women who are permanent residents of the  
21       United States, who have attained age sixteen but have not  
22       attained age twenty-two at the time of enrollment, and  
23       who meet the standards for enrollment prescribed by the  
24       Director. Participation in the Corps shall not relieve any  
25       enrollee of obligations under the Universal Military Training  
26       and Service Act (50 U.S.C. App. 451 et seq.). Only in

1 exceptional cases shall enrollees in the Corps be graduates  
2 of an accredited high school, and no person shall be ac-  
3 cepted for enrollment in the Corps unless the local school  
4 authorities have concluded that further school attendance  
5 by such person in any regular academic, vocational, or  
6 training program, is not practicable.

7 (b) In order to enroll as a member of the Corps, an  
8 individual must agree to comply with rules and regulations  
9 promulgated by the Director for the government of the  
10 Corps.

11 (c) The total enrollment of any individual in the Corps  
12 shall not exceed two years except as the Director may deter-  
13 mine in special cases.

#### 14 ALLOWANCE AND MAINTENANCE

15 SEC. 105. (a) Enrollees may be provided with such  
16 living, travel, and leave allowances, and such quarters, sub-  
17 sistence, transportation, equipment, clothing, recreational  
18 services, medical, dental, hospital, and other health services,  
19 and other expenses as the Director may deem necessary or  
20 appropriate for their needs. Transportation and travel al-  
21 lowances may also be provided, in such circumstances as the  
22 Director may determine, for applicants for enrollment to or  
23 from places of enrollment, and for former enrollees from  
24 places of termination to their homes.

25 (b) Upon termination of his or her enrollment in the  
26 Corps, each enrollee shall be entitled to receive a readjust-



1 ment allowance at a rate not to exceed \$50 for each month  
2 of satisfactory participation therein as determined by the  
3 Director: *Provided, however,* That under such circumstances  
4 as the Director may determine a portion of the readjust-  
5 ment allowance of an enrollee not exceeding \$25 for each  
6 month of satisfactory service may be paid during the period  
7 of service of the enrollee directly to a member of his or her  
8 family (as defined in section 609(c)) and any sum so paid  
9 shall be supplemented by the payment of an equal amount  
10 by the Director. In the event of the enrollee's death during  
11 the period of his or her service, the amount of any unpaid  
12 readjustment allowance shall be paid in accordance with the  
13 provisions of section 1 of the Act of August 3, 1950 (5  
14 U.S.C. 61f).

15 APPLICATION OF PROVISIONS OF FEDERAL LAW

16 SEC. 106. (a) Except as otherwise specifically provided  
17 in this part, an enrollee shall be deemed not to be a Federal  
18 employee and shall not be subject to the provisions of laws  
19 relating to Federal employment, including those relating to  
20 hours of work, rates of compensation, leave, unemployment  
21 compensation, and Federal employee benefits.

22 (b) Enrollees shall be deemed to be employees of the  
23 United States for the purposes of the Internal Revenue Code  
24 of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social  
25 Security Act (42 U.S.C. 401 et seq.), and any service per-  
26 formed by an individual as an enrollee shall be deemed for

1 such purposes to be performed in the employ of the United  
2 States.

3 ~~(c)(1)~~ Enrollees under this part shall, for the purposes  
4 of the administration of the Federal Employees' Compensa-  
5 tion Act ~~(5 U.S.C. 751 et seq.)~~, be deemed to be civil  
6 employees of the United States within the meaning of the  
7 term "employee" as defined in section 40 of such Act ~~(5~~  
8 ~~U.S.C. 790)~~ and the provisions thereof shall apply except  
9 as hereinafter provided.

10 ~~(2)~~ For purposes of this subsection:

11 ~~(A)~~ The term "performance of duty" in the Federal  
12 Employees' Compensation Act shall not include any act of  
13 an enrollee—

14 ~~(i)~~ while on authorized leave or pass; or

15 ~~(ii)~~ while absent from his or her assigned post  
16 of duty, except while participating in an activity author-  
17 ized by or under the direction or supervision of the  
18 Corps.

19 ~~(B)~~ In computing compensation benefits for disability  
20 or death under the Federal Employee's Compensation Act,  
21 the monthly pay of an enrollee shall be deemed to be \$150;  
22 except that with respect to compensation for disability ac-  
23 ceding after the individual concerned reaches the age of  
24 twenty-one, such monthly pay shall be deemed to be that  
25 received under the entrance salary for GS-2 under the  
26 Classification Act of 1949 ~~(5 U.S.C. 1071 et seq.)~~, and



1 ~~section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1))~~  
2 shall apply to enrollees.

3 ~~(C)~~ Compensation for disability shall not begin to ac-  
4 crue until the day following the date on which the enrollment  
5 of the injured enrollee is terminated.

6 ~~(d)~~ An enrollee shall be deemed to be an employee of  
7 the Government for the purposes of the Federal tort claims  
8 provisions of title 28, United States Code.

9 ~~(e)~~ Personnel of the uniformed services who are de-  
10 tailed or assigned to duty in the performance of agreements  
11 made by the Director for the support of the Corps shall not  
12 be counted in computing strength under any law limiting  
13 the strength of such services or in computing the percentage  
14 authorized by law for any grade therein.

15 **POLITICAL DISCRIMINATION AND POLITICAL ACTIVITY**

16 **SEC. 107.** ~~(a)~~ No officer or employee of the executive  
17 branch of the Federal Government shall make any inquiry  
18 concerning the political affiliation or beliefs of any enrollee  
19 or applicant for enrollment in the Corps. All disclosures  
20 concerning such matters shall be ignored, except as to such  
21 membership in political parties or organizations as con-  
22 stitutes by law a disqualification for Government employ-  
23 ment. No discrimination shall be exercised, threatened or  
24 promised by any person in the executive branch of the Fed-  
25 eral Government against or in favor of any enrollee in the

1 Corps, or any applicant for enrollment in the Corps because  
2 of his political affiliation or beliefs, except as may be  
3 specifically authorized or required by law.

4 (b) No officer, employee or enrollee of the Corps shall  
5 take any active part in political management or in political  
6 campaigns, except as may be provided by or pursuant to  
7 statute, and no such officer, employee or enrollee shall use  
8 his official position or influence for the purpose of interfer-  
9 ing with an election or affecting the result thereof. All such  
10 persons shall retain the right to vote as they may choose and  
11 to express, in their private capacities, their opinions on all  
12 political subjects and candidates.

13 (c) Whenever the United States Civil Service Commis-  
14 sion finds that any person has violated the foregoing pro-  
15 visions, it shall, after giving due notice and opportunity for  
16 explanation to the officer or employee or enrollee concerned,  
17 certify the facts to the Director with specific instructions as  
18 to discipline or dismissal or other corrective actions.

19 STATE-OPERATED YOUTH CAMPS

20 SEC. 108. The Director is authorized to enter into agree-  
21 ments with States to assist in the operation or administration  
22 of State-operated programs which carry out the purpose of  
23 this part. The Director may, pursuant to such regulations  
24 as he may adopt, pay part or all of the operative or adminis-  
25 trative costs of such programs.



## 1 REQUIREMENT FOR STATE APPROVAL OF CONSERVATION

## 2 CAMPS AND TRAINING CENTERS

3 SEC. 109. In carrying out the provisions of part A of  
4 this title no conservation camp, training center or other  
5 similar facility designed to carry out the purposes of this  
6 Act, shall be established within a State unless a plan setting  
7 forth such proposed establishment has been submitted to the  
8 Governor of the State and such plan has not been disap-  
9 proved by him within thirty days of such submission.

## 10 PART B—WORK-TRAINING PROGRAMS

## 11 STATEMENT OF PURPOSE

12 SEC. 111. The purpose of this part is to provide useful  
13 work experience opportunities for unemployed young men  
14 and young women, through participation in State and com-  
15 munity work-training programs, so that their employability  
16 may be increased or their education resumed or continued  
17 and so that public agencies and private nonprofit organiza-  
18 tions will be enabled to carry out programs which will per-  
19 mit or contribute to an undertaking or service in the public  
20 interest that would not otherwise be provided, or will con-  
21 tribute to the conservation and development of natural re-  
22 sources and recreational areas.

## 23 DEVELOPMENT OF PROGRAMS

24 SEC. 112. In order to carry out the purposes of this  
25 part, the Director shall assist and cooperate with State and  
26 local agencies and private nonprofit organizations in devel-

1 oping programs for the employment of young people in State  
2 and community activities hereinafter authorized, which,  
3 whenever appropriate, shall be coordinated with programs  
4 of training and education provided by local public educa-  
5 tional agencies.

6 FINANCIAL ASSISTANCE

7 SEC. 113. (a) The Director is authorized to enter into  
8 agreements providing for the payment by him of part or all  
9 of the cost of a State or local program submitted hereunder  
10 if he determines, in accordance with such regulations as he  
11 may prescribe, that—

12 (1) enrollees in the program will be employed  
13 either (A) on publicly owned and operated facilities or  
14 projects, or (B) on local projects sponsored by private  
15 nonprofit organizations, other than projects involving  
16 the construction, operation, or maintenance of so much  
17 of any facility used or to be used for sectarian instruc-  
18 tion or as a place for religious worship;

19 (2) the program will increase the employability  
20 of the enrollees by providing work experience and train-  
21 ing in occupational skills or pursuits in classifications  
22 in which the Director finds there is a reasonable expec-  
23 tation of employment, or will enable student enrollees to  
24 resume or to maintain school attendance;

25 (3) the program will permit or contribute to an  
26 undertaking or service in the public interest that would



1 not otherwise be provided, or will contribute to the con-  
2 servation, development, or management of the natural  
3 resources of the State or community or to the develop-  
4 ment, management, or protection of State or community  
5 recreational areas;

6 (4) the program will not result in the displacement  
7 of employed workers or impair existing contracts for  
8 services;

9 (5) the rates of pay and other conditions of em-  
10 ployment will be appropriate and reasonable in the  
11 light of such factors as the type of work performed,  
12 geographical region, and proficiency of the employee;

13 (6) to the maximum extent feasible, the program  
14 will be coordinated with vocational training and educa-  
15 tional services adapted to the special needs of enrollees  
16 in such program and sponsored by State or local public  
17 educational agencies: *Provided, however,* That where  
18 such services are inadequate or unavailable, the program  
19 may make provision for the enlargement, improvement,  
20 development, and coordination of such services with the  
21 cooperation of, or where appropriate pursuant to agree-  
22 ment with, the Secretary of Health, Education, and  
23 Welfare; and

24 (7) the program includes standards and procedures  
25 for the selection of applicants, including provisions assur-  
26 ing full coordination and cooperation with local and

1 other authorities to encourage students to resume or  
2 maintain school attendance.

3 (b) In approving projects under this part, the Director  
4 shall give priority to projects with high training potential.

5 ENROLLEES IN PROGRAM

6 SEC. 114. (a) Participation in programs under this part  
7 shall be limited to young men and women who are perma-  
8 nent residents of the United States, who have attained age  
9 sixteen but have not attained age twenty-two, and whose  
10 participation in such programs will be consistent with the  
11 purposes of this part.

12 (b) Enrollees shall be deemed not to be Federal em-  
13 ployees and shall not be subject to the provisions of laws  
14 relating to Federal employment, including those relating to  
15 hours of work, rates of compensation, leave, unemployment  
16 compensation, and Federal employee benefits.

17 (c) Where appropriate to carry out the purposes of this  
18 Act, the Director may provide for testing, counseling, job  
19 development, and referral services to youths through public  
20 agencies or private nonprofit organizations.

21 LIMITATIONS ON FEDERAL ASSISTANCE

22 SEC. 115. Federal assistance to any program pursuant  
23 to this part paid for the period ending two years after the date  
24 of enactment of this Act, or June 30, 1966, whichever is  
25 later, shall not exceed 90 per centum of the costs of such  
26 program, including costs of administration, and such assist-



1   ance paid for periods thereafter shall not exceed 50 per  
 2   centum of such costs, unless the Director determines, pursuant  
 3   to regulations adopted and promulgated by him establishing  
 4   objective criteria for such determinations, that assistance in  
 5   excess of such percentages is required in furtherance of the  
 6   purposes of this part. Non-Federal contributions may be in  
 7   cash or in kind, fairly evaluated, including but not limited to  
 8   plant, equipment, and services.

9                   EQUITABLE DISTRIBUTION OF ASSISTANCE

10       SEC. 116. The Director shall establish criteria designed  
 11   to achieve an equitable distribution of assistance under this  
 12   part among the States. In developing such criteria, he shall  
 13   consider among other relevant factors the ratios of popula-  
 14   tion, unemployment, and family income levels. Not more  
 15   than  $12\frac{1}{2}$  per centum of the sums appropriated or allocated  
 16   for any fiscal year to carry out the purposes of this part shall  
 17   be used within any one State.

18                   PART C—WORK-STUDY PROGRAMS

19                               STATEMENT OF PURPOSE

20       SEC. 121. The purpose of this part is to stimulate and  
 21   promote the part-time employment of students in institutions  
 22   of higher education who are from low-income families and  
 23   are in need of the earnings from such employment to pursue  
 24   courses of study at such institutions.

## ALLOTMENTS TO STATES

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States;

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the



1 Higher Education Facilities Act of 1963) of such  
2 State bears to the total number of such high school  
3 graduates of all the States, and

4 ~~(3)~~ one-third shall be allotted by him among the  
5 States so that the allotment to each State under this  
6 clause will be an amount which bears the same ratio to  
7 such one-third as the number of related children under  
8 eighteen years of age living in families with annual  
9 incomes of less than \$3,000 in such State bears to the  
10 number of related children under eighteen years of age  
11 living in families with annual incomes of less than  
12 \$3,000 in all the States.

13 ~~(c)~~ The amount of any State's allotment which has not  
14 been granted to an institution of higher education under  
15 section 123 at the end of the fiscal year for which appro-  
16 priated shall be reallocated by the Director, in such manner as  
17 he determines will best assist in achieving the purposes of  
18 this Act. Amounts reallocated under this subsection shall be  
19 available for making grants under section 123 until the close  
20 of the fiscal year next succeeding the fiscal year for which  
21 appropriated.

22 ~~(d)~~ For purposes of this section, the term "State" does  
23 not include Puerto Rico, Guam, American Samoa, and the  
24 Virgin Islands.

GRANTS FOR WORK-STUDY PROGRAMS

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

CONDITIONS OF AGREEMENTS

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or

(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing



1           contracts for services, and (iii) will be governed  
2           by such conditions of employment as will be  
3           appropriate and reasonable in light of such fac-  
4           tors as the type of work performed, geographi-  
5           cal region, and proficiency of the employee:

6       *Provided, however,* That no such work shall involve the  
7       construction, operation, or maintenance of so much of any  
8       facility used or to be used for sectarian instruction or  
9       as a place for religious worship;

10       (b) provide that funds granted an institution of  
11       higher education, pursuant to section 123 may be used  
12       only to make payments to students participating in  
13       work-study programs, except that an institution may use  
14       a portion of the sums granted to it to meet administra-  
15       tive expenses, but the amount so used may not exceed  
16       5 per centum of the payments made by the Director to  
17       such institution for that part of the work-study program  
18       in which students are working for public or nonprofit  
19       organizations other than the institution itself;

20       (c) provide that employment under such work-  
21       study program shall be furnished only to a student who  
22       (1) is from a low-income family, (2) is in need of the  
23       earnings from such employment in order to pursue a  
24       course of study at such institution, (3) is capable, in the  
25       opinion of the institution, of maintaining good standing  
26       in such course of study while employed under the pro-

1     gram covered by the agreement, and ~~(4)~~ has been ac-  
2     cepted for enrollment as a full time student at the institu-  
3     tion or, in the case of a student already enrolled in  
4     and attending the institution, is in good standing and in  
5     full-time attendance there either as an undergraduate,  
6     graduate, or professional student;

7         ~~(d)~~ provide that no student shall be employed  
8     under such work-study program for more than fifteen  
9     hours in any week in which classes in which he is en-  
10    rolled are in session;

11        ~~(e)~~ provide that in each fiscal year during which  
12    the agreement remains in effect, the institution shall ex-  
13    pend ~~(from sources other than payments under this~~  
14    part) for the employment of its students ~~(whether or not~~  
15    in employment eligible for assistance under this part)  
16    an amount that is not less than its average annual ex-  
17    penditure for such employment during the three fiscal  
18    years preceding the fiscal year in which the agreement is  
19    entered into;

20        ~~(f)~~ provide that the Federal share of the compen-  
21    sation of students employed in the work-study program  
22    in accordance with the agreement will not exceed 90  
23    per centum of such compensation for work performed  
24    during the period ending two years after the date of  
25    enactment of this Act, or June 30, 1966, whichever is  
26    later, and 75 per centum thereafter:



1           ~~(g)~~ include provisions designed to make employ-  
2           ment under such work-study program, or equivalent  
3           employment offered or arranged for by the institution,  
4           reasonably available ~~(to the extent of available funds)~~  
5           to all eligible students in the institution in need thereof;  
6           and

7           ~~(h)~~ include such other provisions as the Director  
8           shall deem necessary or appropriate to carry out the  
9           purposes of this part.

10                               SOURCES OF MATCHING FUNDS

11           SEC. 125. Nothing in this part shall be construed as  
12           restricting the source ~~(other than this part)~~ from which  
13           the institution may pay its share of the compensation of a  
14           student employed under a work-study program covered by  
15           an agreement under this part.

16                               EQUITABLE DISTRIBUTION OF ASSISTANCE

17           SEC. 126. The Director shall establish criteria designed  
18           to achieve such distribution of assistance under this part  
19           among institutions of higher education within a State as will  
20           most effectively carry out the purposes of this Act.

21                               PART D—AUTHORIZATION OF APPROPRIATIONS

22           SEC. 131. The Director shall carry out the programs  
23           provided for in this title during the fiscal year ending  
24           June 30, 1965, and the two succeeding fiscal years. For the  
25           purpose of carrying out this title, there is hereby authorized  
26           to be appropriated the sum of \$412,500,000 for the fiscal

1 year ending June 30, 1965; and for the fiscal year ending  
2 June 30, 1966, and the fiscal year ending June 30, 1967,  
3 such sums may be appropriated as the Congress may here-  
4 after authorize by law.

5 TITLE II—URBAN AND RURAL COMMUNITY  
6 ACTION PROGRAMS

7 PART A—GENERAL COMMUNITY ACTION PROGRAMS

8 STATEMENT OF PURPOSE

9 SEC. 201. The purpose of this part is to provide stimula-  
10 tion and incentive for urban and rural communities to  
11 mobilize their resources to combat poverty through com-  
12 munity action programs.

13 COMMUNITY ACTION PROGRAMS

14 SEC. 202. (a) The term "community action program"  
15 means a program—

16 (1) which mobilizes and utilizes resources, public  
17 or private, of any urban or rural, or combined urban  
18 and rural, geographical area (referred to in this part as  
19 a "community"); including but not limited to a State,  
20 metropolitan area, county, city, town, multicounty unit, or  
21 multicounty unit in an attack on poverty;

22 (2) which provides services, assistance, and other  
23 activities of sufficient scope and size to give promise of  
24 progress toward elimination of poverty or a cause or  
25 causes of poverty through developing employment op-  
26 portunities, improving human performance, motivation,



1 and productivity, or bettering the conditions under which  
2 people live, learn, and work;

3 ~~(3)~~ which is developed, conducted, and adminis-  
4 tered with the maximum feasible participation of resi-  
5 dents of the areas and members of the groups served; and

6 ~~(4)~~ which is conducted, administered, or coordi-  
7 nated by a public or private nonprofit agency, or a com-  
8 bination thereof, with maximum feasible participation of  
9 public agencies and private nonprofit organizations pri-  
10 marily concerned with the community's problems of  
11 poverty.

12 ~~(b)~~ The Director is authorized to prescribe such addi-  
13 tional criteria for programs carried on under this part as he  
14 shall deem appropriate.

#### 15 ALLOTMENT TO STATES

16 SEC. 203: ~~(a)~~ From the sums appropriated to carry  
17 out this title for a fiscal year, the Director shall reserve the  
18 amount needed for carrying out sections 204 and 205. Not  
19 to exceed 2 per centum of the amount so reserved shall be  
20 allotted by the Director among Puerto Rico, Guam, Ameri-  
21 can Samoa, and the Virgin Islands according to their re-  
22 spective needs for assistance under this part. Twenty per  
23 centum of the amount so reserved shall be allotted among  
24 the States as the Director shall determine. The remainder  
25 of the sums so reserved shall be allotted among the States  
26 as provided in subsection ~~(b)~~.

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time,



1 on such dates during such year as the Director may fix, to  
 2 other States in proportion to their original allotments for such  
 3 year, but with such proportionate amount for any of such  
 4 other States being reduced to the extent it exceeds the sum  
 5 which the Director estimates such State needs and will be  
 6 able to use for such year for carrying out this part; and the  
 7 total of such reductions shall be similarly reallocated among  
 8 the States whose proportionate amounts are not so reduced.  
 9 Any amount reallocated to a State under this subsection during  
 10 a year shall be deemed part of its allotment under subsection  
 11 ~~(a)~~ for such year.

12 ~~(d)~~ For the purposes of this section, the term "State"  
 13 does not include Puerto Rico, Guam, American Samoa, and  
 14 the Virgin Islands.

15 FINANCIAL ASSISTANCE FOR DEVELOPMENT OF  
 16 COMMUNITY ACTION PROGRAMS

17 SEC. 204. The Director is authorized to make grants to,  
 18 or to contract with, appropriate public or private nonprofit  
 19 agencies, or combinations thereof, to pay part or all of the  
 20 costs of development of community action programs.

21 FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRATION  
 22 OF COMMUNITY ACTION PROGRAMS

23 SEC. 205. ~~(a)~~ The Director is authorized to make  
 24 grants to, or to contract with, public or private nonprofit  
 25 agencies, or combinations thereof, to pay part or all of the  
 26 costs of community action programs which have been ap-

1 proved by him pursuant to this part, including the cost of  
2 carrying out programs which are components of a com-  
3 munity action program and which are designed to achieve  
4 the purposes of this part. Such component programs shall  
5 be focused upon the needs of low-income individuals and  
6 families and shall provide expanded and improved services,  
7 assistance, and other activities, and facilities necessary in  
8 connection therewith. Such programs shall be conducted  
9 in those fields which fall within the purposes of this part  
10 including employment, job training and counseling, health,  
11 vocational rehabilitation, housing, home management, wel-  
12 fare, and special remedial and other noncurricular educa-  
13 tional assistance for the benefit of low-income individuals and  
14 families.

15 (b) No grant or contract authorized under this part  
16 may provide for general aid to elementary or secondary  
17 education in any school or school system.

18 (c) In determining whether to extend assistance under  
19 this section the Director shall consider among other relevant  
20 factors the incidence of poverty within the community and  
21 within the areas or groups to be affected by the specific  
22 program or programs, and the extent to which the appli-  
23 cant is in a position to utilize efficiently and expeditiously  
24 the assistance for which application is made. In deter-  
25 mining the incidence of poverty the Director shall consider  
26 information available with respect to such factors as: the



1 concentration of low-income families, particularly those  
2 with children; the extent of persistent unemployment and  
3 underemployment; the number and proportion of persons  
4 receiving cash or other assistance on a needs basis from  
5 public agencies or private organizations; the number of mi-  
6 grant or transient low-income families; school dropout rates;  
7 military service rejection rates, and other evidences of low  
8 educational attainment; the incidence of disease, disability,  
9 and infant mortality; housing conditions; adequacy of com-  
10 munity facilities and services; and the incidence of crime  
11 and juvenile delinquency.

12 (d) In extending assistance under this section the Di-  
13 rector shall give special consideration to programs which  
14 give promise of effecting a permanent increase in the capacity  
15 of individuals, groups, and communities to deal with their  
16 problems without further assistance.

17 TECHNICAL ASSISTANCE

18 SEC. 206. The Director is authorized to provide, either  
19 directly or through grants or other arrangements, (1)  
20 technical assistance to communities in developing, con-  
21 ducting, and administering community action programs, and  
22 (2) training for specialized personnel needed to develop,  
23 conduct, or administer such programs or to provide services  
24 or other assistance thereunder.

## 1        RESEARCH, TRAINING, AND DEMONSTRATIONS

2        SEC. 207. The Director is authorized to conduct, or to  
3 make grants to or enter into contracts with institutions of  
4 higher education or other appropriate public agencies or  
5 private organizations for the conduct of, research,  
6 training, and demonstrations pertaining to the purposes of  
7 this part. Expenditures under this section in any fiscal year  
8 shall not exceed 15 per centum of the sums appropriated  
9 or allocated for such year to carry out the purposes of this  
10 part.

## 11        LIMITATIONS ON FEDERAL ASSISTANCE

12        SEC. 208. (a) Assistance pursuant to sections 204 and  
13 205 paid for the period ending two years after the date of  
14 enactment of this Act, or June 30, 1966, whichever is later,  
15 shall not exceed 90 per centum of the costs referred to in  
16 those sections, respectively, and thereafter shall not exceed  
17 50 per centum of such costs, unless the Director determines,  
18 pursuant to regulations adopted and promulgated by him  
19 establishing objective criteria for such determinations, that  
20 assistance in excess of such percentage is required in fur-  
21 therance of the purposes of this part. Non-Federal con-  
22 tributions may be in cash or in kind, fairly evaluated, in-  
23 cluding but not limited to plant, equipment, and services.

24        (b) The expenditures or contributions made from non-



1 Federal sources for a community action program or  
2 component thereof shall be in addition to the aggregate ex-  
3 penditures or contributions from non-Federal sources which  
4 were being made for similar purposes prior to the extension  
5 of Federal assistance.

6 PARTICIPATION OF STATE AGENCIES

7 SEC. 209. (a) The Director shall establish procedures  
8 which will facilitate effective participation of the States in  
9 community action programs.

10 (b) The Director is authorized to make grants to, or  
11 to contract with, appropriate State agencies for the payment  
12 of the expenses of such agencies in providing technical assist-  
13 ance to communities in developing, conducting, and admin-  
14 istering community action programs.

15 (c) In carrying out the provisions of title I and title II  
16 of this Act, no contract, agreement, grant, loan, or other  
17 assistance shall be made with or provided to, any private  
18 nonprofit or other private institution or organization for the  
19 purpose of carrying out any program, project, or other  
20 activity within a State, except where such institution or  
21 organization is operating in conjunction with, or under the  
22 authority of, a public agency, unless a plan setting forth such  
23 proposed contract, agreement, grant, loan, or other assistance  
24 has been submitted to the Governor of the State, and such  
25 plan has not been disapproved by him within thirty days of  
26 such submission: *Provided, however,* That this section shall

1 not apply to contracts, grants, loans, or other assistance to  
2 any institutions of higher education in existence on the date  
3 of the approval of this Act.

4 EQUITABLE DISTRIBUTION OF ASSISTANCE

5 SEC. 210. The Director shall establish criteria designed  
6 to achieve an equitable distribution of assistance under this  
7 part within the States between urban and rural areas. In  
8 developing such criteria, he shall consider the relative num-  
9 bers in the States or areas therein of: (1) low-income  
10 families, particularly those with children; (2) unemployed  
11 persons; (3) persons receiving cash or other assistance on  
12 a needs basis from public agencies or private organizations;  
13 (4) school dropouts; (5) adults with less than an eighth-  
14 grade education; and (6) persons rejected for military  
15 service.

16 PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

17 SEC. 211. In determining whether to extend assistance  
18 under this Act, the Director shall, to the extent feasible, give  
19 preference to programs and projects which are components of  
20 a community action program approved pursuant to this part.

21 PART B—ADULT BASIC EDUCATION PROGRAMS

22 DECLARATION OF PURPOSE

23 SEC. 212. It is the purpose of this part to initiate pro-  
24 grams of instruction for individuals who have attained age  
25 eighteen and whose inability to read and write the English  
26 language constitutes a substantial impairment of their ability



1 to get or retain employment commensurate with their real  
2 ability, so as to help eliminate such inability and raise the  
3 level of education of such individuals with a view to making  
4 them less likely to become dependent on others, improving  
5 their ability to benefit from occupational training and other-  
6 wise increasing their opportunities for more productive and  
7 profitable employment, and making them better able to  
8 meet their adult responsibilities.

9 GRANTS TO STATES

10 SEC. 213. (a) From the sums appropriated to carry out  
11 this title, the Director shall make grants to States which  
12 have State plans approved by him under this section.

13 (b) Grants under subsection (a) may be used in ac-  
14 cordance with regulations of the Director, to—

15 (1) assist in establishment of pilot projects by local  
16 educational agencies, relating to instruction in public  
17 schools, or other facilities used for the purpose by such  
18 agencies, of individuals described in section 212, to (A)  
19 demonstrate, test, or develop modifications, or adaptations  
20 in the light of local needs, of special materials or meth-  
21 ods for instruction of such individuals, (B) stimulate the  
22 development of local educational agency programs for  
23 instruction of such individuals in such schools or other  
24 facilities, and (C) acquire additional information con-  
25 cerning the materials or methods needed for an effective  
26 program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

#### STATE PLANS

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health informa-



tion and services for individuals described in section 212  
as may be available from such agencies and as may rea-  
sonably be necessary to enable them to benefit from the  
instruction provided under programs conducted pursuant  
to grants under this part; and

6           (5) sets forth a program for use, in accordance with  
7           section 213(b), of grants under this part which affords  
8           assurance of substantial progress, within a reasonable  
9           period and with respect to all segments of the popula-  
10          tion and all areas of the State, toward elimination of the  
11          inability of adults to read and write English and toward  
12          substantially raising the level of education of individuals  
13          described in section 212.

14        ~~(b)~~ The Director shall not finally disapprove any State  
15 plan submitted under this part, or any modification thereof,  
16 without first affording the State educational agency reason-  
17 able notice and opportunity for a hearing.

18 ~~ALLOTMENTS~~

19 SEC. 215. (a) From the sums allocated for grants to  
20 States under section 213 for any fiscal year, the Director  
21 shall reserve such amount, but not in excess of 2 per centum  
22 thereof, as he may determine, and shall allot such amount  
23 among Puerto Rico, Guam, American Samoa, and the Vir-  
24 gin Islands according to their respective needs for assistance  
25 under this part. The remainder of the sums so allocated for a  
26 fiscal year shall be allotted by the Director on the basis of the

1 relative number of individuals in each State who have at-  
2 tained age eighteen and who have completed not more than  
3 five grades of school or have not achieved an equivalent level  
4 of education, as determined by the Director on the basis of  
5 the best and most recent information available to him, includ-  
6 ing any relevant data furnished to him by the Department of  
7 Commerce. The amount allotted to any State under the pre-  
8 ceeding sentence for any fiscal year which is less than \$50,000  
9 shall be increased to that amount, the total thereby required  
10 being derived by proportionately reducing the amount allotted  
11 to each of the remaining States under the preceding sentence,  
12 but with such adjustments as may be necessary to prevent the  
13 allotment of any such remaining States from being thereby  
14 reduced to less than \$50,000. For the purposes of this  
15 subsection, the term "State" shall not include Puerto Rico,  
16 Guam, American Samoa, and the Virgin Islands.

17 (b) The portion of any State's allotment under sub-  
18 section (a) for a fiscal year which the Director determines  
19 will not be required, for the period such allotment is avail-  
20 able, for carrying out the State plan (if any) approved under  
21 this part shall be available for reallocation from time to time,  
22 on such dates during such period as the Director may fix, to  
23 other States in proportion to the original allotments to such  
24 States under subsection (a) for such year, but with such  
25 proportionate amount for any of such other States being



1 reduced to the extent it exceeds the sum which the Director  
2 estimates such State needs and will be able to use for such  
3 period for carrying out its State plan approved under this  
4 part; and the total of such reductions shall be similarly  
5 reallocated among the States whose proportionate amounts  
6 are not so reduced. Any amount reallocated to a State under  
7 this subsection during a year shall be deemed part of its  
8 allotment under subsection ~~(a)~~ for such year.

9 ~~(c)~~ The allotment of any State under subsection ~~(a)~~  
10 for the fiscal year ending June 30, 1965, shall, except to the  
11 extent reallocated under subsection ~~(b)~~, remain available  
12 until June 30, 1966, for obligation by such State for carry-  
13 ing out its State plan approved under this part.

14

## PAYMENTS

15 SEC. 216. ~~(a)~~ From a State's allotment available for  
16 the purpose, the Federal share of expenditures, under its  
17 State plan, for the purposes set forth in section 213 ~~(b)~~ shall  
18 be paid to such State. Such payments shall be made in  
19 advance on the basis of estimates by the Director; and may  
20 be made in such installments as the Director may determine,  
21 after making appropriate adjustments to take account of  
22 previously made overpayments or underpayments; except  
23 that no such payments shall be made for any fiscal year un-  
24 less the Director finds that the amount available for expendi-  
25 tures for adult basic educational programs and services from  
26 State sources for such year will be not less than the amount

1 expended for such purposes from such sources during the  
2 preceding fiscal year.

3 (b) For the fiscal year ending June 30, 1965, and the  
4 fiscal year ending June 30, 1966, the Federal share for each  
5 State shall be 90 per centum. For the succeeding fiscal year  
6 the Federal share for any State shall be 50 per centum.

7 OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL  
8 REVIEW

9 SEC. 217. (a) Whenever the Director, after reasonable  
10 notice and opportunity for hearing to the State educational  
11 agency administering a State plan approved under this part,  
12 finds that—

13 (1) the State plan has been so changed that it no  
14 longer complies with the provisions of section 214, or

15 (2) in the administration of the plan there is a  
16 failure to comply substantially with any such provision;  
17 the Director shall notify such State agency that no further  
18 payments will be made to the State under this part (or in  
19 his discretion, that further payments to the State will be  
20 limited to programs under or portions of the State plan not  
21 affected by such failure); until he is satisfied that there  
22 will no longer be any failure to comply. Until he is so  
23 satisfied, no further payments may be made to such State  
24 under this part (or payments shall be limited to programs  
25 under or portions of the State plan not affected by such  
26 failure).



1        ~~(B)~~ A State educational agency dissatisfied with a final  
2 action of the Director under section 214 or subsection ~~(a)~~  
3 of this section may appeal to the United States court of  
4 appeals for the circuit in which the State is located, by  
5 filing a petition with such court within sixty days after such  
6 final action. A copy of the petition shall be forthwith trans-  
7 mitted by the clerk of the court to the Director, or any officer  
8 designated by him for that purpose. The Director thereupon  
9 shall file in the court the record of the proceedings on which  
10 he based his action, as provided in section 2112 of title 28,  
11 United States Code. Upon the filing of such petition, the  
12 court shall have jurisdiction to affirm the action of the  
13 Director or to set it aside, in whole or in part, temporarily  
14 or permanently, but until the filing of the record, the  
15 Director may modify or set aside his order. The findings  
16 of the Director as to the facts, if supported by substantial  
17 evidence, shall be conclusive, but the court, for good cause  
18 shown, may remand the case to the Director to take further  
19 evidence, and the Director may thereupon make new or  
20 modified findings of fact and may modify his previous action,  
21 and shall file in the court the record of the further proceed-  
22 ings. Such new or modified findings of fact shall likewise  
23 be conclusive if supported by substantial evidence. The  
24 judgment of the court affirming or setting aside, in whole or  
25 in part, any action of the Director shall be final, subject to  
26 review by the Supreme Court of the United States upon

1 certiorari or certification as provided in section 1254 of title  
 2 28, United States Code. The commencement of proceedings  
 3 under this subsection shall not, unless so specifically ordered  
 4 by the court, operate as a stay of the Director's action.

#### 5 MISCELLANEOUS

6 SEC. 218. For purposes of this part—

7 (1) the term "State educational agency" means  
 8 the State board of education or other agency or officer  
 9 primarily responsible for the State supervision of public  
 10 elementary and secondary schools; or, if different, the  
 11 agency or officer primarily responsible for supervision  
 12 of adult basic education in public schools; whichever  
 13 may be designated by the Governor or by State law; or,  
 14 if there is no such agency or officer, an agency or officer  
 15 designated by the Governor or by State law;

16 (2) the term "local educational agency" means a  
 17 board of education or other legally constituted local  
 18 school authority having administrative control and di-  
 19 rection of public elementary or secondary schools in a  
 20 city, county, township, school district, or political sub-  
 21 division in a State, except that if there is a separate  
 22 board or other legally constituted local authority having  
 23 administrative control and direction of adult basic edu-  
 24 cation in public schools therein, it means such other  
 25 board or authority.



1     **PART C—VOLUNTARY ASSISTANCE PROGRAM FOR**  
2                                   **NEEDY CHILDREN**

3                                   **STATEMENT OF PURPOSE**

4         SEC. 219. The purpose of this part is to allow individual  
5 Americans to participate in a personal way in the war on  
6 poverty, by voluntarily assisting in the support of one or  
7 more needy children, in a program coordinated with city or  
8 county social welfare agencies.

9                                   **AUTHORITY TO ESTABLISH INFORMATION CENTER**

10        SEC. 220. (a) In order to carry out the purposes of  
11 this part, the Director is authorized to establish a section  
12 within the Office of Economic Opportunity to act as an infor-  
13 mation and coordination center to encourage voluntary as-  
14 sistance for deserving and needy children. Such section shall  
15 collect the names of persons who voluntarily desire to assist  
16 financially such children and shall secure from city or county  
17 social welfare agencies such information concerning deserv-  
18 ing and needy children as the Director shall deem appro-  
19 priate.

20        (b) It is the intent of the Congress that the section  
21 established pursuant to this part shall act solely as an in-  
22 formation and coordination center and that nothing in this  
23 part shall be construed as interfering with the jurisdiction  
24 of State and local welfare agencies with respect to programs  
25 for needy children.

1       PART D—AUTHORIZATION OF APPROPRIATIONS

2       SEC. 221. The Director shall carry out the programs  
3 provided for in this title during the fiscal year ending  
4 June 30, 1965, and the two succeeding fiscal years. For the  
5 purpose of carrying out this title, there is hereby author-  
6 ized to be appropriated the sum of \$340,000,000 for the  
7 fiscal year ending June 30, 1965; and for the fiscal year  
8 ending June 30, 1966, and the fiscal year ending June 30,  
9 1967, such sums may be appropriated as the Congress  
10 may hereafter authorize by law.

11       TITLE III—SPECIAL PROGRAMS TO COMBAT  
12                       POVERTY IN RURAL AREAS

13                       STATEMENT OF PURPOSE

14       SEC. 301. It is the purpose of this title to meet some of  
15 the special problems of rural poverty and thereby to raise  
16 and maintain the income and living standards of low-income  
17 rural families and migrant agricultural employees and their  
18 families.

19       PART A—AUTHORITY TO MAKE GRANTS AND LOANS

20       SEC. 302. (a) The Director is authorized to make—

21               (1) loans of not to exceed \$1,500 to low-income  
22 rural families where, in the judgment of the Director,  
23 such loans have a reasonable possibility of effecting  
24 a permanent increase in the income of such families by  
25 assisting or permitting them to—



1        ~~(A)~~ acquire or improve real estate or reduce  
2        encumbrances or erect improvements thereon;

3           ~~(B)~~ operate or improve the operation of farms  
4           not larger than family sized, including but not lim-  
5           ited to the purchase of feed, seed, fertilizer, livestock,  
6           poultry, and equipment, or

7                    ~~(C) participate in cooperative associations; and~~

8            ~~(2)~~ loans to such families, having a maximum  
9            maturity of fifteen years and in amounts not exceeding  
10          \$2,500 in the aggregate to any family at any one time,  
11          to finance nonagricultural enterprises which will enable  
12          such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs. The Director may reduce or release obligations resulting from a loan made under this section if he finds that the debtor has attempted in good faith to comply with his loan obligations and that either the objective for which the loan was made will likely not be achieved or the indebtedness exceeds the debtor's reasonable payment ability.

## 21 COOPERATIVE ASSOCIATIONS

22        SEC. 303. The Director is authorized to make loans to  
23        local cooperative associations furnishing essential processing,  
24        purchasing, or marketing services, supplies, or facilities pre-  
25        dominantly to low-income rural families.

## 1                   LIMITATIONS ON ASSISTANCE

2       SEC. 304. No financial or other assistance shall be pro-  
3       vided under this part unless the Director determines that—

4           (a) the providing of such assistance will materially  
5       further the purposes of this part; and

6           (b) in the case of assistance provided pursuant to  
7       section 303, the applicant is fulfilling or will fulfill  
8       a need for services, facilities, or activities which is not  
9       otherwise being met.

## 10                  LOAN TERMS AND CONDITIONS

11       SEC. 305. Loans pursuant to sections 302 and 303 shall  
12       have such terms and conditions as the Director shall deter-  
13       mine, subject to the following limitations:

14           (a) there is reasonable assurance of repayment of  
15       the loan;

16           (b) the credit is not otherwise available on reason-  
17       able terms from private sources or other Federal, State,  
18       or local programs;

19           (c) the amount of the loan, together with other  
20       funds available, is adequate to assure completion of the  
21       project or achievement of the purposes for which the  
22       loan is made;

23           (d) the loan bears interest at a rate not less than  
24       (1) a rate determined by the Secretary of the Treasury,  
25       taking into consideration the average market yield on



1 outstanding Treasury obligations of comparable maturity,  
 2 plus ~~(2)~~ such additional charge, if any, toward covering  
 3 other costs of the program as the Director may deter-  
 4 mine to be consistent with its purposes;

5 ~~(e)~~ with respect to loans made pursuant to section  
 6 303, the loan is repayable within not more than thirty  
 7 years; and

8 ~~(f)~~ no financial or other assistance shall be pro-  
 9 vided under this part to or in connection with any corpo-  
 10 ration or cooperative organization for the production of  
 11 agricultural commodities or for manufacturing purposes.

12 ~~PART B—ASSISTANCE FOR MIGRANT AGRICULTURAL~~  
 13 ~~EMPLOYEES AND THEIR FAMILIES~~

14 ~~SEC. 311.~~ The Director shall develop and implement  
 15 as soon as practicable a program to assist the States, political  
 16 subdivisions of States, public and nonprofit agencies, institu-  
 17 tions, organizations, farm associations, or individuals in es-  
 18 tablishing and operating programs of assistance for migrant  
 19 agricultural employees and their families, which programs  
 20 shall be limited to housing, sanitation, education, and day  
 21 care of children. Institutions, organizations, farm associa-  
 22 tions, or individuals shall be limited to direct loans.

23 ~~PART C—AUTHORIZATION OF APPROPRIATIONS~~

24 ~~SEC. 321.~~ The Director shall carry out the program  
 25 provided for in this title during the fiscal year ending June  
 26 30, 1965, and the two succeeding fiscal years. For the pur-

pose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

#### PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS

SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1965.



1     **TITLE IV—EMPLOYMENT AND INVESTMENT**  
2                                   **INCENTIVES**

3                                   **STATEMENT OF PURPOSE**

4       **SEC. 401.** It is the purpose of this title to assist in the  
5 establishment, preservation, and strengthening of small busi-  
6 ness concerns and improve the managerial skills employed  
7 in such enterprises; and to mobilize for these objectives  
8 private as well as public managerial skills and resources.

9                                   **LOANS, PARTICIPATIONS, AND GUARANTIES**

10       **SEC. 402.** The Director is authorized to make, partici-  
11 pate (on an immediate basis) in, or guarantee loans, repay-  
12 able in not more than fifteen years, to any small business  
13 concern (as defined in section 3 of the Small Business Act  
14 (15 U.S.C. 632) and regulations issued thereunder); or to  
15 any qualified person seeking to establish such a concern,  
16 when he determines that such loans will assist in carrying  
17 out the purposes of this title, with particular emphasis on em-  
18 ployment of the long-term unemployed: *Provided, however,*  
19 That no such loans shall be made, participated in, or guar-  
20 anteed if the total of such Federal assistance to a single bor-  
21 rower outstanding at any one time would exceed \$25,000.  
22 The Director may defer payments on the principal of such  
23 loans for a grace period and use such other methods as he  
24 deems necessary and appropriate to assure the successful  
25 establishment and operation of such concern. The Director  
26 may, in his discretion, as a condition of such financial assist-  
27 ance, require that the borrower take steps to improve his

1 management skills by participating in a management train-  
 2 ing program approved by the Director. The Director shall  
 3 encourage, as far as possible, the participation of the private  
 4 business community in the program of assistance to such  
 5 concerns.

#### 6 COORDINATION WITH COMMUNITY ACTION PROGRAMS

7 SEC. 403. No financial assistance shall be provided under  
 8 section 402 in any community for which the Director has  
 9 approved a community action program pursuant to title II  
 10 of this Act unless such financial assistance is determined by  
 11 him to be consistent with such program.

#### 12 FINANCING UNDER SMALL BUSINESS ACT

13 SEC. 404. Such lending and guaranty functions under  
 14 this title as may be delegated to the Small Business Adminis-  
 15 tration may be financed with funds appropriated to the  
 16 revolving fund established by section 4(e) of the Small  
 17 Business Act (15 U.S.C. 633(e)) for the purposes of sec-  
 18 tions 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636  
 19 (a), 636(b), 637(a)).

#### 20 LOAN TERMS AND CONDITIONS

21 SEC. 405. Loans made pursuant to section 402 (includ-  
 22 ing immediate participations in and guaranties of such loans)  
 23 shall have such terms and conditions as the Director shall  
 24 determine, subject to the following limitations—

25 (a) there is reasonable assurance of repayment of  
 26 the loan;



1        ~~(b)~~ the financial assistance is not otherwise avail-  
 2        able on reasonable terms from private sources or other  
 3        Federal, State, or local programs;

4        ~~(c)~~ the amount of the loan, together with other  
 5        funds available, is adequate to assure completion of the  
 6        project or achievement of the purposes for which the  
 7        loan is made;

8        ~~(d)~~ the loan bears interest at a rate not less than  
 9        ~~(1)~~ a rate determined by the Secretary of the Treasury,  
 10        taking into consideration the average market yield on  
 11        outstanding Treasury obligations of comparable maturity,  
 12        plus ~~(2)~~ such additional charge, if any, toward covering  
 13        other costs of the program as the Director may determine  
 14        to be consistent with its purposes: *Provided, however,*  
 15        That the rate of interest charged on loans made in re-  
 16        development areas designated under the Area Redevelop-  
 17        ment Act (42 U.S.C. 2501 et seq.) shall not exceed  
 18        the rate currently applicable to new loans made under  
 19        section 6 of that Act (42 U.S.C. 2505); and

20        ~~(e)~~ fees not in excess of amounts necessary to cover  
 21        administrative expenses and probable losses may be  
 22        required on loan guaranties.

#### 23        LIMITATION ON FINANCIAL ASSISTANCE

24        SEC. 406. No financial assistance shall be extended pur-  
 25        suant to this title where the Director determines that the as-  
 26        sistance will be used in relocating establishments from one

1 area to another or in financing subcontractors to enable them  
2 to undertake work theretofore performed in another area  
3 by other subcontractors or contractors.

4 DURATION OF PROGRAM

5 SEC. 407. The Director shall carry out the programs  
6 provided for in this title during the fiscal year ending June  
7 30, 1965, and the two succeeding fiscal years.

8 TITLE V—WORK EXPERIENCE PROGRAMS

9 STATEMENT OF PURPOSE

10 SEC. 501. It is the purpose of this title to expand the  
11 opportunities for constructive work experience and other  
12 needed training available to persons who are unable to sup-  
13 port or care for themselves or their families. In carrying  
14 out this purpose, the Director shall make maximum use of the  
15 programs available under the Manpower Development and  
16 Training Act of 1962, as amended, and Vocational Educa-  
17 tion Act of 1963.

18 PAYMENTS FOR EXPERIMENTAL, PILOT, AND

19 DEMONSTRATION PROJECTS

20 SEC. 502. In order to stimulate the adoption of pro-  
21 grams designed to help unemployed fathers and other needy  
22 persons to secure and retain employment or to attain or retain  
23 capability for self-support or personal independence, the  
24 Director is authorized to transfer funds appropriated or allo-  
25 cated to carry out the purposes of this title to the Secretary of  
26 Health, Education, and Welfare to enable him to make pay-



1 ments for experimental, pilot, or demonstration projects under  
 2 section 1115 of the Social Security Act (42 U.S.C. 1315),  
 3 subject to the limitations contained in section 409(a) (1) to  
 4 (6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)),  
 5 in addition to the sums otherwise available pursuant thereto.  
 6 The costs of such projects to the United States for the fiscal  
 7 year ending June 30, 1965, shall, notwithstanding the provi-  
 8 sions of such Act, be met entirely from funds appropriated  
 9 or allocated to carry out the purposes of this title.

#### 10 AUTHORIZATION OF APPROPRIATIONS

11 SEC. 503. The Director shall carry out the programs  
 12 provided for in this title during the fiscal year ending June  
 13 30, 1965, and the two succeeding fiscal years. For the pur-  
 14 pose of carrying out this title, there is hereby authorized to  
 15 be appropriated the sum of \$150,000,000 for the fiscal year  
 16 ending June 30, 1965; and for the fiscal year ending June  
 17 30, 1966, and the fiscal year ending June 30, 1967, such  
 18 sums may be appropriated as the Congress may hereafter  
 19 authorize by law.

### 20 TITLE VI—ADMINISTRATION AND 21 COORDINATION

#### 22 PART A—ADMINISTRATION

##### 23 OFFICE OF ECONOMIC OPPORTUNITY

24 SEC. 601. (a) There is hereby established in the Execu-  
 25 tive Office of the President the Office of Economic Oppor-  
 26 tunity. The Office shall be headed by a Director who shall

1 be appointed by the President, by and with the advice and  
2 consent of the Senate. There shall also be in the Office one  
3 Deputy Director and three Assistant Directors who shall be  
4 appointed by the President, by and with the advice and con-  
5 sent of the Senate. The Deputy Director and the Assistant  
6 Directors shall perform such functions as the Director may  
7 from time to time prescribe.

8 ~~(b)~~ Notwithstanding the provisions of section 5(b) of  
9 the Reorganization Act of 1949 ~~(5 U.S.C. 1332-3(b))~~, at  
10 any time after one year from the date of enactment hereof  
11 the President may, by complying with the procedures estab-  
12 lished by that Act, provide for the transfer of the Office from  
13 the Executive Office of the President and for its establish-  
14 ment elsewhere in the executive branch as he deems appro-  
15 priate.

16 ~~(c)~~ The compensation of the Director of the Office of  
17 Economic Opportunity shall be fixed by the President at a  
18 rate not in excess of the annual rate of compensation pay-  
19 able to the Director of the Bureau of the Budget.

20 ~~(d)~~ The compensation of the Deputy Director of the  
21 Office of Economic Opportunity shall be fixed by the Presi-  
22 dent at a rate not in excess of the annual rate of compen-  
23 sation payable to the Deputy Director of the Bureau of the  
24 Budget.

25 ~~(e)~~ The compensation of the Assistant Directors of the  
26 Office of Economic Opportunity shall be fixed by the Presi-



1 dent at a rate not in excess of the annual rate of compensa-  
2 tion payable to the Assistant Secretaries of the Executive  
3 Departments.

4 AUTHORITY OF DIRECTOR

5 SEC. 602. In addition to the authority conferred upon  
6 him by other sections of this Act, the Director is authorized,  
7 in carrying out his functions under this Act, to—

8 (a) appoint in accordance with the civil service  
9 laws such personnel as may be necessary to enable the  
10 Office to carry out its functions; and, except as otherwise  
11 provided herein, fix their compensation in accordance  
12 with the Classification Act of 1949 (5 U.S.C. 1071 et  
13 seq.);

14 (b) employ experts and consultant or organiza-  
15 tions thereof as authorized by section 15 of the Admin-  
16 istrative Expenses Act of 1946 (5 U.S.C. 55a), com-  
17 pensate individuals so employed at rates not in excess  
18 of \$100 per diem, including travel time, and allow them,  
19 while away from their homes or regular places of busi-  
20 ness, travel expenses (including per diem in lieu of sub-  
21 sistence) as authorized by section 5 of such Act (5  
22 U.S.C. 73b-2) for persons in the Government service  
23 employed intermittently, while so employed: *Provided,*  
24 *however,* That contracts for such employment may be  
25 renewed annually;

26 (c) appoint, without regard to the civil service

1 laws, one or more advisory committees composed of  
2 such private citizens and officials of the Federal, State,  
3 and local governments as he deems desirable to advise  
4 him with respect to his functions under this Act; and  
5 members of such committees (including the National  
6 Advisory Council established in section 605); other than  
7 those regularly employed by the Federal Government;  
8 while attending meetings of such committees or other-  
9 wise serving at the request of the Director, shall be  
10 entitled to receive compensation and travel expenses as  
11 provided in subsection (b) with respect to experts and  
12 consultants;

13 (d) with the approval of the President, arrange  
14 with and reimburse the heads of other Federal agencies  
15 for the performance of any of his functions under this  
16 Act and, as necessary or appropriate, delegate any of  
17 his powers under this Act and authorize the redelega-  
18 tion thereof;

19 (e) utilize, with their consent, the services and  
20 facilities of Federal agencies without reimbursement;  
21 and, with the consent of any State or a political subdi-  
22 vision of a State, accept and utilize the services and facil-  
23 ities of the agencies of such State or subdivision without  
24 reimbursement;

25 (f) accept in the name of the Office, and employ  
26 or dispose of in furtherance of the purposes of this Act,



1 or of any title thereof, any money or property, real,  
2 personal, or mixed, tangible or intangible, received by  
3 gift, devise, bequest, or otherwise;

4 ~~(g)~~ accept voluntary and uncompensated services,  
5 notwithstanding the provisions of section 3679(b) of  
6 the Revised Statutes ~~(31 U.S.C. 665(b))~~;

7 ~~(h)~~ allocate and expend, or transfer to other Fed-  
8 eral agencies for expenditure, funds made available un-  
9 der this Act as he deems necessary to carry out the  
10 provisions hereof, including ~~(without regard to the pro-~~  
11 ~~visions of section 4774(d) of title 10, United States~~  
12 ~~Code)~~ expenditure for construction, repairs, and capital  
13 improvements;

14 ~~(i)~~ disseminate, without regard to the provisions of  
15 section 4154 of title 39, United States Code, data and  
16 information, in such form as he shall deem appropriate,  
17 to public agencies, private organizations, and the gen-  
18 eral public;

19 ~~(j)~~ adopt an official seal, which shall be judicially  
20 noticed;

21 ~~(k)~~ notwithstanding any other provision of law  
22 relating to the acquisition, handling, or disposal of  
23 real or personal property by the United States, deal  
24 with, complete, rent, renovate, modernize, or sell for  
25 cash or credit at his discretion any properties acquired  
26 by him in connection with loans, participations, and

1 guaranties made by him pursuant to titles III and IV of  
2 this Act;

3 ~~(1)~~ collect or compromise all obligations to or held  
4 by him and all legal or equitable rights accruing to  
5 him in connection with the payment of obligations un-  
6 til such time as such obligations may be referred to  
7 the Attorney General for suit or collection;

8 ~~(m)~~ expend, without regard to the provisions of any  
9 other law or regulation, funds made available for pur-  
10 poses of this Act ~~(1)~~ for printing and binding, and ~~(2)~~  
11 for rent of buildings and space in buildings and for  
12 repair, alteration, and improvement of buildings and  
13 space in buildings rented by him; but the Director shall  
14 not utilize the authority contained in this clause ~~(A)~~ ex-  
15 cept when necessary in order to obtain an item, service,  
16 or facility, which is required in the proper administra-  
17 tion of this Act, and which otherwise could not be ob-  
18 tained, or could not be obtained in the quantity or quality  
19 needed, or at the time, in the form or under the con-  
20 ditions in which, it is needed, and ~~(B)~~ prior to having  
21 given written notification to the Administrator of General  
22 Services (if the exercise of such authority would affect  
23 an activity which otherwise would be under the jurisdic-  
24 tion of the General Services Administration) or the  
25 Chairman of the Joint Committee on Printing (if the  
26 exercise of such authority would affect an activity which



1 otherwise would be under the jurisdiction of such Com-  
 2 mittee) of his intention to exercise such authority, the  
 3 item, service, or facility with respect to which such  
 4 authority is proposed to be exercised, and the reasons  
 5 and justifications for the exercise of such authority;  
 6 and

7 ~~(n)~~ establish such policies, standards, criteria, and  
 8 procedures, prescribe such rules and regulations, enter  
 9 into such contracts and agreements with public agencies  
 10 and private organizations and persons, make such pay-  
 11 ments ~~(in lump sum or installments, and in advance~~  
 12 ~~or by way of reimbursement, and in the case of grants,~~  
 13 ~~with necessary adjustments on account of overpay-~~  
 14 ~~ments or underpayments)~~, and generally perform such  
 15 functions and take such steps as he may deem to be  
 16 necessary or appropriate to carry out the provisions of  
 17 this Act.

#### 18 VOLUNTEERS IN SERVICE TO AMERICA

19 SEC. 603. ~~(a)~~ The Director is authorized to recruit,  
 20 select, train, and—

21 ~~(1)~~ upon request of State or local agencies or pri-  
 22 vate nonprofit organizations, refer volunteers to perform  
 23 duties in furtherance of programs combating poverty at  
 24 a State or local level; and

25 ~~(2)~~ in cooperation with other Federal, State, or  
 26 local agencies involved, assign volunteers to work ~~(A)~~

1 in meeting the health, education, welfare, or related  
2 needs of Indians living on reservations, of migratory  
3 workers and their families, or of residents of the District  
4 of Columbia, the Commonwealth of Puerto Rico, Guam,  
5 American Samoa, the Virgin Islands, or the Trust Terri-  
6 tory of the Pacific Islands; ~~(B)~~ in the care and reha-  
7 bilitation of the mentally ill or mentally retarded under  
8 treatment at nonprofit mental health or mental retarda-  
9 tion facilities assisted in their construction or operation  
10 by Federal funds; and ~~(C)~~ in furtherance of programs  
11 or activities authorized or supported under title I or II  
12 of this Act.

13 ~~(b)~~ The referral or assignment of volunteers shall be  
14 on such terms and conditions as the Director may determine;  
15 but volunteers shall not be referred or assigned to duties or  
16 work in any State without the consent of the Governor.

17 ~~(c)~~ The Director is authorized to provide to all volun-  
18 teers during training and to volunteers assigned pursuant to  
19 subsection ~~(a)-(2)~~ such stipend, not to exceed \$50 per  
20 month, such living, travel, and leave allowances, and such  
21 housing, transportation (including travel to and from the  
22 place of training), supplies, equipment, subsistence, clothing,  
23 and health and dental care as the Director may deem neces-  
24 sary or appropriate for their needs.

25 ~~(d)~~ Volunteers shall be deemed not to be Federal em-  
26 ployees and shall not be subject to the provisions of laws



1 relating to Federal employment, including those relating to  
2 hours of work, rates of compensation, leave, unemployment  
3 compensation, and Federal employee benefits, except that all  
4 volunteers during training and such volunteers as are as-  
5 signed pursuant to subsection ~~(a)-(2)~~ shall be deemed Fed-  
6 eral employees to the same extent as enrollees of the Corps  
7 under section 106 ~~(b)~~, ~~(c)~~, and ~~(d)~~ of this Act.

8 ECONOMIC OPPORTUNITY COUNCIL

9 SEC. 604. ~~(a)~~ There is hereby established an Economic  
10 Opportunity Council, which shall consult with and advise the  
11 Director in carrying out his functions, including the coordina-  
12 tion of antipoverty efforts by all segments of the Federal  
13 Government.

14 ~~(b)~~ The Council shall include the Director, who shall  
15 be Chairman, the Secretary of Defense, the Attorney Gen-  
16 eral, the Secretaries of the Interior, Agriculture, Commerce,  
17 Labor, and Health, Education, and Welfare, the Housing  
18 and Home Finance Administrator, the Administrator of the  
19 Small Business Administration, the Chairman of the Council  
20 of Economic Advisers, the Director of Selective Service, and  
21 such other agency heads as the President may designate, or  
22 delegates thereof.

23 NATIONAL ADVISORY COUNCIL

24 SEC. 605. There is hereby established in the Office a  
25 National Advisory Council. The Council shall be composed  
26 of the Director, who shall be Chairman, and not more than  
27 fourteen additional members appointed by the President,

1 without regard to the civil service laws, who shall be repre-  
2 sentative of the public in general and appropriate fields of  
3 endeavor related to the purposes of this Act. Upon the re-  
4 quest of the Director, the Council shall review the opera-  
5 tions and activities of the Office, and shall make such recom-  
6 mendations with respect thereto as are appropriate. The  
7 Council shall met at least once each year and at such other  
8 times as the Director may request.

9

## REVOLVING FUND

10 SEC. 606. (a) To carry out the lending and guaranty  
11 functions authorized under titles III and IV of this Act,  
12 there is authorized to be established a revolving fund. The  
13 capital of the fund shall consist of such amounts as may be  
14 advanced to it by the Director from funds appropriated pur-  
15 suant to section 321 and shall remain available until  
16 expended.

17 (b) The Director shall pay into miscellaneous receipts  
18 of the Treasury, at the close of each fiscal year, interest on  
19 the capital of the fund at a rate determined by the Secretary  
20 of the Treasury, taking into consideration the average market  
21 yield on outstanding Treasury obligations of comparable  
22 maturity during the last month of the preceding fiscal year.  
23 Interest payments may be deferred with the approval of the  
24 Secretary of the Treasury, but any interest payments so  
25 deferred shall themselves bear interest.

26 (c) Whenever any capital in the fund is determined by  
27 the Director to be in excess of current needs, such capital



1 shall be credited to the appropriation from which advanced,  
2 where it shall be held for future advances.

3 (d) Receipts from any lending and guaranty operations  
4 under this Act (except operations under title IV carried on  
5 by the Small Business Administration) shall be credited to  
6 the fund. The fund shall be available for the payment of all  
7 expenditures of the Director for loans, participations, and  
8 guaranties authorized under titles III and IV of this Act.

#### 9 LABOR STANDARDS

10 SEC. 607. All laborers and mechanics employed by con-  
11 tractors or subcontractors in the construction, alteration or  
12 repair, including painting and decorating of projects, build-  
13 ings and works which are federally assisted under this Act  
14 shall be paid wages at rates not less than those prevailing on  
15 similar construction in the locality as determined by the Sec-  
16 retary of Labor in accordance with the Davis-Bacon Act, as  
17 amended (40 U.S.C. 276a—276a-5). The Secretary of  
18 Labor shall have, with respect to such labor standards, the  
19 authority and functions set forth in Reorganization Plan  
20 numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5  
21 U.S.C. 133—133z-15), and section 2 of the Act of June 13,  
22 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.  
23 276(e)).

#### 24 REPORTS

25 SEC. 608. Not later than one hundred and twenty days  
26 after the close of each fiscal year, the Director shall prepare

1 and submit to the President for transmittal to the Congress  
 2 a full and complete report on the activities of the Office dur-  
 3 ing such year.

#### 4 DEFINITIONS

5 SEC. 609. As used in this Act:

6 (a) The term "State" means a State, the Common-  
 7 wealth of Puerto Rico, the District of Columbia, Guam,  
 8 American Samoa, or the Virginia Islands, and the term  
 9 "United States", when used in a geographical sense, includes  
 10 the foregoing and all other places, continental or insular,  
 11 including the Trust Territory of the Pacific Islands, subject  
 12 to the jurisdiction of the United States.

13 (b) The term "agency", unless the context requires  
 14 otherwise, means department, agency, or other component  
 15 of a Federal, State, or local governmental entity.

16 (c) The term "family," in the case of a Job Corps  
 17 enrollee, means—

18 (1) the spouse or child of an enrollee, and

19 (2) any other relative who draws substantial sup-  
 20 port from the enrollee.

#### 21 PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

#### 22 COORDINATION

23 SEC. 611. (a) In order to insure that all Federal pro-  
 24 grams related to the purposes of this Act are carried out in a  
 25 coordinated manner—

26 (1) the Director is authorized to call upon other



1 Federal agencies to supply such statistical data, program  
2 reports, and other materials as he deems necessary to  
3 discharge his responsibilities under this Act, and to assist  
4 the President in coordinating the antipoverty efforts of  
5 all Federal agencies;

6 ~~(2)~~ Federal agencies which are engaged in admin-  
7 istering programs related to the purposes of this Act, or  
8 which otherwise perform functions relating thereto,  
9 shall—

10 ~~(A)~~ cooperate with the Director in carrying  
11 out his duties and responsibilities under this Act;  
12 and

13 ~~(B)~~ carry out their programs and exercise their  
14 functions in such manner as will, to the maximum  
15 extent permitted by other applicable law, assist in  
16 carrying out the purposes of this Act; and—

17 ~~(3)~~ the President may direct that particular pro-  
18 grams and functions, including the expenditure of funds,  
19 of the Federal agencies referred to in paragraph ~~(2)~~  
20 shall be carried out, to the extent not inconsistent with  
21 other applicable law, in conjunction with or in support  
22 of programs authorized under this Act.

23 ~~(b)~~ In order to insure that all existing Federal agencies  
24 are utilized to the maximum extent possible in carrying out  
25 the purposes of this Act, no funds appropriated to carry out  
26 this Act shall be used to establish any new department or

1 office when the intended function is being performed by an  
2 existing department or office.

3 PREFERENCE TO COMMUNITY ACTION PROGRAMS

4 SEC. 612. To the extent feasible and consistent with the  
5 provisions of law governing any Federal program and with  
6 the purposes of this Act, the head of each Federal agency  
7 administering any Federal program is directed to give  
8 preference to any application for assistance or benefits which  
9 is made pursuant to or in connection with a community action  
10 program approved pursuant to title II of this Act.

11 INFORMATION CENTER

12 SEC. 613. In order to insure that all Federal programs  
13 related to the purposes of this Act are utilized to the maxi-  
14 mum extent possible, and to insure that information con-  
15 cerning such programs and other relevant information is  
16 readily available in one place to public officials and other  
17 interested persons, the Director is authorized as he deems  
18 appropriate to collect, prepare, analyze, correlate, and dis-  
19 tribute such information, either free of charge or by sale  
20 at cost (any funds so received to be deposited to the Direc-  
21 tor's account as an offset to such cost), and make arrange-  
22 ments and pay for any printing and binding without regard  
23 to the provisions of any other law or regulation.

24 PROHIBITION OF FEDERAL CONTROL

25 SEC. 614. Nothing contained in this Act shall be con-  
26 strued to authorize any department, agency, officer, or em-



1 ployee of the United States to exercise any direction,  
2 supervision, or control over the curriculum, program of  
3 instruction, administration, or personnel of any educational  
4 institution or school system.

5 AUTHORIZATION OF APPROPRIATIONS

6 SEC. 615. The Director shall carry out the programs  
7 provided for in this title during the fiscal year ending June  
8 30, 1965, and the two succeeding fiscal years. For the  
9 purpose of carrying out this title (other than for purposes  
10 of making credits to the revolving fund established by section  
11 606(a)), there is hereby authorized to be appropriated the  
12 sum of \$10,000,000 for the fiscal year ending June 30,  
13 1965; and for the fiscal year ending June 30, 1966, and the  
14 fiscal year ending June 30, 1967, such sums may be appro-  
15 priated as the Congress may hereafter authorize by law.

16 ~~TITLE VII—TREATMENT OF UNEMPLOYMENT~~

17 ~~COMPENSATION BENEFITS AND INCOME FOR~~

18 ~~CERTAIN PUBLIC ASSISTANCE PURPOSES~~

19 UNEMPLOYMENT COMPENSATION

20 SEC. 701. (a) No individual who otherwise is entitled,  
21 under title XV of the Social Security Act or the unemploy-  
22 ment compensation law of any State, to any unemployment  
23 benefit shall be denied such benefit, or have such benefit  
24 reduced, solely because he or any other person participated in  
25 any work, training, or other activity, provided by any pro-

1 gram established by, pursuant to, or assisted under, title I or  
2 II of this Act.

3 ~~(b)~~ No individual shall be denied participation in any  
4 work, training, or other activity provided by any program  
5 established by, pursuant to, or assisted under, title I or III of  
6 this Act solely because he, or any other person, receives, or  
7 is entitled to receive, any benefit under any unemployment  
8 compensation law.

9 PUBLIC ASSISTANCE

10 SEC. 702. ~~(a)~~ Notwithstanding the provisions of titles  
11 I, IV, X, XIV, and XVI of the Social Security Act, a State  
12 plan approved under any such title shall provide that—

13 ~~(1)~~ the first \$85 plus one-half of the excess over  
14 \$85 of payments made to or on behalf of any person for  
15 or with respect to any month under title I or II of this  
16 Act or any program assisted under such title shall not be  
17 regarded ~~(A)~~ as income or resources of such person in  
18 determining his need under such approved State plan,  
19 or ~~(B)~~ as income or resources of any other individual  
20 in determining the need of such other individual under  
21 such approved State plan;

22 ~~(2)~~ no payments made to or on behalf of any per-  
23 son for or with respect to any month under such title or  
24 any such program shall be regarded as income or re-  
25 sources of any other individual in determining the need



1 of such other individual under such approved State plan  
 2 except to the extent made available to or for the benefit  
 3 of such other individual; and

4 ~~(3)~~ no grant made to any family under title III  
 5 of this Act shall be regarded as income or resources of  
 6 such family in determining the need of any member  
 7 thereof under such approved State plan.

8 ~~(b)~~ No funds to which a State is otherwise entitled  
 9 under title I, IV, X, XIV, or XVI of the Social Security  
 10 Act for any period before July 1, 1965, shall be withheld  
 11 by reason of any action taken pursuant to a State statute  
 12 which prevents such State from complying with the require-  
 13 ments of subsection ~~(a)~~.

14 *That this Act may be cited as the "Economic Opportunity*  
 15 *Act of 1964".*

16 *FINDINGS AND DECLARATION OF PURPOSE*

17 *SEC. 2. Although the economic well-being and pros-*  
 18 *perity of the United States have progressed to a level sur-*  
 19 *passing any achieved in world history, and although these*  
 20 *benefits are widely shared throughout the Nation, poverty*  
 21 *continues to be the lot of a substantial number of our people.*  
 22 *The United States can achieve its full economic and social*  
 23 *potential as a nation only if every individual has the oppor-*  
 24 *tunity to contribute to the full extent of his capabilities and*  
 25 *to participate in the workings of our society. It is, therefore,*  
 26 *the policy of the United States to eliminate the paradox of*

1 poverty in the midst of plenty in this Nation by opening to  
 2 everyone the opportunity for education and training, the  
 3 opportunity to work, and the opportunity to live in decency  
 4 and dignity. It is the purpose of this Act to strengthen, sup-  
 5 plement, and coordinate efforts in furtherance of that policy.

## 6 TITLE I—YOUTH PROGRAMS

### 7 PART A—JOB CORPS

#### 8 STATEMENT OF PURPOSE

9 SEC. 101. The purpose of this part is to prepare for the  
 10 responsibilities of citizenship and to increase the employ-  
 11 ability of young men and young women aged sixteen through  
 12 twenty-one by providing them in rural and urban residential  
 13 centers with education, vocational training, useful work ex-  
 14 perience, including work directed toward the conservation of  
 15 natural resources, and other appropriate activities.

#### 16 ESTABLISHMENT OF JOB CORPS

17 SEC. 102. In order to carry out the purposes of this  
 18 part, there is hereby established within the Office of Eco-  
 19 nomic Opportunity (hereinafter referred to as the "Office"),  
 20 established by title VI, a Job Corps (hereinafter referred to  
 21 as the "Corps").

#### 22 JOB CORPS PROGRAM

23 SEC. 103. The Director of the Office (hereinafter re-  
 24 ferred to as the "Director") is authorized to—

25 (a) enter into agreements with any Federal, State,



1        *or local agency or private organization for the establish-*  
2        *ment and operation, in rural and urban areas, of con-*  
3        *servation camps and training centers and for the pro-*  
4        *vision of such facilities and services as in his judgment*  
5        *are needed to carry out the purposes of this part, includ-*  
6        *ing but not limited to agreements with agencies charged*  
7        *with the responsibility of conserving, developing, and*  
8        *managing the public natural resources of the Nation*  
9        *and of developing, managing, and protecting public*  
10       *recreational areas, whereby the enrollees of the Corps*  
11       *may be utilized by such agencies in carrying out, under*  
12       *the immediate supervision of such agencies, programs*  
13       *planned and designed by such agencies to fulfill such*  
14       *responsibility, and including agreements for a botanical*  
15       *survey program involving surveys and maps of existing*  
16       *vegetation and investigations of the plants, soils, and*  
17       *environments of natural and disturbed plant commu-*  
18       *nities;*

19            *(b) arrange for the provision of education and*  
20        *vocational training of enrollees in the Corps: Provided,*  
21        *That, where practicable, such programs may be pro-*  
22        *vided through local public educational agencies or by*  
23        *private vocational educational institutions or technical*  
24        *institutes where such institutions or institutes can pro-*  
25        *vide substantially equivalent training with reduced Fed-*  
26        *eral expenditures;*

1           (c) provide or arrange for the provision of pro-  
2       grams of useful work experience and other appropriate  
3       activities for enrollees;

4           (d) establish standards of safety and health for  
5       enrollees, and furnish or arrange for the furnishing of  
6       health services; and

7           (e) prescribe such rules and regulations and make  
8       such arrangements as he deems necessary to provide  
9       for the selection of enrollees and to govern their conduct  
10      after enrollment, including appropriate regulations as  
11      to the circumstances under which enrollment may be  
12      terminated.

13                               COMPOSITION OF THE CORPS

14       SEC. 104. (a) The Corps shall be composed of young  
15      men and young women who are permanent residents of the  
16      United States, who have attained age sixteen but have not  
17      attained age twenty-two at the time of enrollment, and  
18      who meet the standards for enrollment prescribed by the  
19      Director. Participation in the Corps shall not relieve any  
20      enrollee of obligations under the Universal Military Training  
21      and Service Act (50 U.S.C. App. 451 et seq.).

22           (b) In order to enroll as a member of the Corps, an  
23      individual must agree to comply with rules and regulations  
24      promulgated by the Director for the government of the  
25      Corps.

26           (c) The total enrollment of any individual in the Corps



1 shall not exceed two years except as the Director may deter-  
2 mine in special cases.

3 (d) Each enrollee must execute and file with the Direc-  
4 tor an affidavit that he does not believe in, and is not a  
5 member of and does not support any organization that  
6 believes in or teaches, the overthrow of the United States  
7 Government by force or violence or by any illegal or uncon-  
8 stitutional methods, and (2) each enrollee must take and  
9 subscribe to an oath or affirmation in the following form:  
10 "I do solemnly swear (or affirm) that I will bear true faith  
11 and allegiance to the United States of America and will  
12 support and defend the Constitution and laws of the United  
13 States against all its enemies foreign and domestic.". The  
14 provisions of section 1001 of title 18, United States Code,  
15 shall be applicable with respect to such affidavits.

16 ALLOWANCE AND MAINTENANCE

17 SEC. 105. (a) Enrollees may be provided with such  
18 living, travel, and leave allowances, and such quarters, sub-  
19 sistence, transportation, equipment, clothing, recreational  
20 services, medical, dental, hospital, and other health services,  
21 and other expenses as the Director may deem necessary or  
22 appropriate for their needs. Transportation and travel al-  
23 lowances may also be provided, in such circumstances as the  
24 Director may determine, for applicants for enrollment to or  
25 from places of enrollment, and for former enrollees from  
26 places of termination to their homes.

1       (b) Upon termination of his or her enrollment in the  
2 Corps, each enrollee shall be entitled to receive a readjust-  
3 ment allowance at a rate not to exceed \$50 for each month  
4 of satisfactory participation therein as determined by the  
5 Director: Provided, however, That under such circumstances  
6 as the Director may determine a portion of the readjust-  
7 ment allowance of an enrollee not exceeding \$25 for each  
8 month of satisfactory service may be paid during the period  
9 of service of the enrollee directly to a member of his or her  
10 family (as defined in section 609(c)) and any sum so paid  
11 shall be supplemented by the payment of an equal amount  
12 by the Director. In the event of the enrollee's death during  
13 the period of his or her service, the amount of any unpaid  
14 readjustment allowance shall be paid in accordance with the  
15 provisions of section 1 of the Act of August 3, 1950 (5  
16 U.S.C. 61f).

17       APPLICATION OF PROVISIONS OF FEDERAL LAW

18       SEC. 106. (a) Except as otherwise specifically provided  
19 in this part, an enrollee shall be deemed not to be a Federal  
20 employee and shall not be subject to the provisions of laws  
21 relating to Federal employment, including those relating to  
22 hours of work, rates of compensation, leave, unemployment  
23 compensation, and Federal employee benefits.

24       (b) Enrollees shall be deemed to be employees of the  
25 United States for the purposes of the Internal Revenue Code  
26 of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social



1 *Security Act (42 U.S.C. 401 et seq.), and any service per-*  
2 *formed by an individual as an enrollee shall be deemed for*  
3 *such purposes to be performed in the employ of the United*  
4 *States.*

5       *(c)(1) Enrollees under this part shall, for the purposes*  
6 *of the administration of the Federal Employees' Compensa-*  
7 *tion Act (5 U.S.C. 751 et seq.), be deemed to be civil*  
8 *employees of the United States within the meaning of the*  
9 *term "employee" as defined in section 40 of such Act (5*  
10 *U.S.C. 790) and the provisions thereof shall apply except*  
11 *as hereinafter provided.*

12       *(2) For purposes of this subsection:*

13       *(A) The term "performance of duty" in the Federal*  
14 *Employees' Compensation Act shall not include any act of*  
15 *an enrollee—*

16               *(i) while on authorized leave or pass; or*

17               *(ii) while absent from his or her assigned post*  
18 *of duty, except while participating in an activity author-*  
19 *ized by or under the direction or supervision of the*  
20 *Corps.*

21       *(B) In computing compensation benefits for disability*  
22 *or death under the Federal Employees' Compensation Act,*  
23 *the monthly pay of an enrollee shall be deemed to be \$150,*  
24 *except that with respect to compensation for disability ac-*  
25 *cruing after the individual concerned reaches the age of*  
26 *twenty-one, such monthly pay shall be deemed to be that*

1 received under the entrance salary for GS-2 under the  
2 Classification Act of 1949 (5 U.S.C. 1071 et seq.), and  
3 section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1))  
4 shall apply to enrollees.

5 (C) Compensation for disability shall not begin to ac-  
6 crue until the day following the date on which the enrollment  
7 of the injured enrollee is terminated.

8 (d) An enrollee shall be deemed to be an employee of  
9 the Government for the purposes of the Federal tort claims  
10 provisions of title 28, United States Code.

11 (e) Personnel of the uniformed services who are de-  
12 tailed or assigned to duty in the performance of agreements  
13 made by the Director for the support of the Corps shall not  
14 be counted in computing strength under any law limiting  
15 the strength of such services or in computing the percentage  
16 authorized by law for any grade therein.

17 **POLITICAL DISCRIMINATION AND POLITICAL ACTIVITY**

18 **SEC. 107.** (a) No officer or employee of the executive  
19 branch of the Federal Government shall make any inquiry  
20 concerning the political affiliation or beliefs of any enrollee  
21 or applicant for enrollment in the Corps. All disclosures  
22 concerning such matters shall be ignored, except as to such  
23 membership in political parties or organizations as con-  
24 stitutes by law a disqualification for Government employ-  
25 ment. No discrimination shall be exercised, threatened or  
26 promised by any person in the executive branch of the Fed-



1 eral Government against or in favor of any enrollee in the  
 2 Corps, or any applicant for enrollment in the Corps because  
 3 of his political affiliation or beliefs, except as may be  
 4 specifically authorized or required by law.

5 (b) No officer, employee or enrollee of the Corps shall  
 6 take any active part in political management or in political  
 7 campaigns, except as may be provided by or pursuant to  
 8 statute, and no such officer, employee or enrollee shall use  
 9 his official position or influence for the purpose of interfer-  
 10 ing with an election or affecting the result thereof. All such  
 11 persons shall retain the right to vote as they may choose and  
 12 to express, in their private capacities, their opinions on all  
 13 political subjects and candidates. Any officer, employee,  
 14 enrollee or Federal employee who solicits funds for political  
 15 purposes from members of the Corps, shall be in violation  
 16 of the Corrupt Practices Act.

17 (c) Whenever the United States Civil Service Commis-  
 18 sion finds that any person has violated the foregoing pro-  
 19 visions, it shall, after giving due notice and opportunity for  
 20 explanation to the officer or employee or enrollee concerned,  
 21 certify the facts to the Director with specific instructions as  
 22 to discipline or dismissal or other corrective actions.

## 23 STATE-OPERATED YOUTH CAMPS

24 SEC. 108. The Director is authorized to enter into agree-  
 25 ments with States to assist in the operation or administration

1 of State-operated programs which carry out the purpose of  
2 this part. The Director may, pursuant to such regulations  
3 as he may adopt, pay part or all of the operative or adminis-  
4 trative costs of such programs.

5 REQUIREMENT FOR STATE APPROVAL OF CONSERVATION  
6 CAMPS AND TRAINING CENTERS

7 SEC. 109. In carrying out the provisions of part A of  
8 this title no conservation camp, training center or other  
9 similar facility designed to carry out the purposes of this  
10 Act, shall be established within a State unless a plan setting  
11 forth such proposed establishment has been submitted to the  
12 Governor of the State and such plan has not been disap-  
13 proved by him within thirty days of such submission.

14 ✓SEC. 110. Within the Job Corps there is authorized a  
15 Youth Conservation Corps in which at any one time no less  
16 than 40 per centum of the enrollees under this part shall be  
17 assigned to camps where their work activity is directed pri-  
18 marily toward conserving, developing, and managing the  
19 public natural resources of the Nation, and developing, man-  
20 aging, and protecting public recreational areas. Such work  
21 activity shall be performed under the direction of members  
22 of agencies charged with the responsibility of conserving,  
23 developing, and managing the public natural resources and  
24 of developing, managing, and protecting public recreational  
25 areas.



1            *PART B—WORK-TRAINING PROGRAMS*

2                            *STATEMENT OF PURPOSE*

3        *SEC. 111. The purpose of this part is to provide useful*  
4 *work experience opportunities for unemployed young men*  
5 *and young women, through participation in State and com-*  
6 *munity work-training programs, so that their employability*  
7 *may be increased or their education resumed or continued*  
8 *and so that public agencies and private nonprofit organiza-*  
9 *tions (other than political parties) will be enabled to carry*  
10 *out programs which will permit or contribute to an under-*  
11 *taking or service in the public interest that would not other-*  
12 *wise be provided, or will contribute to the conservation and*  
13 *development of natural resources and recreational areas.*

14                            *DEVELOPMENT OF PROGRAMS*

15        *SEC. 112. In order to carry out the purposes of this*  
16 *part, the Director shall assist and cooperate with State and*  
17 *local agencies and private nonprofit organizations (other than*  
18 *political parties) in developing programs for the employment*  
19 *of young people in State and community activities herein-*  
20 *after authorized, which, whenever appropriate, shall be co-*  
21 *ordinated with programs of training and education provided*  
22 *by local public educational agencies.*

23                            *FINANCIAL ASSISTANCE*

24        *SEC. 113. (a) The Director is authorized to enter into*  
25 *agreements providing for the payment by him of part or all*  
26 *of the cost of a State or local program submitted hereunder*

1 if he determines, in accordance with such regulations as he  
2 may prescribe, that—

3 (1) enrollees in the program will be employed  
4 either (A) on publicly owned and operated facilities or  
5 projects, or (B) on local projects sponsored by private  
6 nonprofit organizations (other than political parties),  
7 other than projects involving the construction, operation,  
8 or maintenance of so much of any facility used or to be  
9 used for sectarian instruction or as a place for religious  
10 worship;

11 (2) the program will increase the employability  
12 of the enrollees by providing work experience and train-  
13 ing in occupational skills or pursuits in classifications  
14 in which the Director finds there is a reasonable expect-  
15 ation of employment, or will enable student enrollees to  
16 resume or to maintain school attendance;

17 (3) the program will permit or contribute to an  
18 undertaking or service in the public interest that would  
19 not otherwise be provided, or will contribute to the con-  
20 servation, development, or management of the natural  
21 resources of the State or community or to the develop-  
22 ment, management, or protection of State or community  
23 recreational areas;

24 (4) the program will not result in the displacement  
25 of employed workers or impair existing contracts for  
26 services;



1                    (5) the rates of pay and other conditions of em-  
2                    ployment will be appropriate and reasonable in the  
3                    light of such factors as the type of work performed,  
4                    geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: Provided, however, That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

## 23 ENROLLEES IN PROGRAM

24        *SEC. 114. (a) Participation in programs under this part*  
25        *shall be limited to young men and women who are perma-*  
26        *nent residents of the United States, who have attained age*

1 sixteen but have not attained age twenty-two, and whose  
2 participation in such programs will be consistent with the  
3 purposes of this part.

4 (b) Enrollees shall be deemed not to be Federal em-  
5 ployees and shall not be subject to the provisions of laws  
6 relating to Federal employment, including those relating to  
7 hours of work, rates of compensation, leave, unemployment  
8 compensation, and Federal employee benefits.

9 (c) Where appropriate to carry out the purposes of this  
10 Act, the Director may provide for testing, counseling, job  
11 development, and referral services to youths through public  
12 agencies or private nonprofit organizations.

13 *LIMITATIONS ON FEDERAL ASSISTANCE*

14 *SEC. 115. Federal assistance to any program pursuant*  
15 *to this part paid for the period ending two years after the date*  
16 *of enactment of this Act, or June 30, 1966, whichever is*  
17 *later, shall not exceed 90 per centum of the costs of such*  
18 *program, including costs of administration, and such assist-*  
19 *ance paid for periods thereafter shall not exceed 50 per*  
20 *centum of such costs, unless the Director determines, pursuant*  
21 *to regulations adopted and promulgated by him establishing*  
22 *objective criteria for such determinations, that assistance in*  
23 *excess of such percentages is required in furtherance of the*  
24 *purposes of this part. Non-Federal contributions may be in*  
25 *cash or in kind, fairly evaluated, including but not limited to*  
26 *plant, equipment, and services.*



1            *EQUITABLE DISTRIBUTION OF ASSISTANCE*

2            *SEC. 116. The Director shall establish criteria designed*  
3 *to achieve an equitable distribution of assistance under this*  
4 *part among the States. In developing such criteria, he shall*  
5 *consider among other relevant factors the ratios of popula-*  
6 *tion, unemployment, and family income levels. Not more*  
7 *than 12½ per centum of the sums appropriated or allocated*  
8 *for any fiscal year to carry out the purposes of this part shall*  
9 *be used within any one State.*

10           *PART C—WORK-STUDY PROGRAMS*

11                    *STATEMENT OF PURPOSE*

12           *SEC. 121. The purpose of this part is to stimulate and*  
13 *promote the part-time employment of students in institutions*  
14 *of higher education who are from low-income families and*  
15 *are in need of the earnings from such employment to pursue*  
16 *courses of study at such institutions.*

17                    *ALLOTMENTS TO STATES*

18           *SEC. 122. (a) From the sums appropriated to carry*  
19 *out this title for a fiscal year, the Director shall reserve the*  
20 *amount needed for making grants under section 123. Not*  
21 *to exceed 2 per centum of the amount so reserved shall be*  
22 *allotted by the Director among Puerto Rico, Guam, Ameri-*  
23 *can Samoa, the Trust Territory of the Pacific Islands, and*  
24 *the Virgin Islands according to their respective needs for*  
25 *assistance under this part. The remainder of the sums so*

1 reserved shall be allotted among the States as provided in  
2 subsection (b).

3 (b) Of the sums being allotted under this subsection—

4 (1) one-third shall be allotted by the Director  
5 among the States so that the allotment to each State un-  
6 der this clause will be an amount which bears the same  
7 ratio to such one-third as the number of persons en-  
8 rolled on a full-time basis in institutions of higher educa-  
9 tion in such State bears to the total number of persons  
10 enrolled on a full-time basis in institutions of higher  
11 education in all the States,

12 (2) one-third shall be allotted by the Director  
13 among the States so that the allotment to each State  
14 under this clause will be an amount which bears the  
15 same ratio to such one-third as the number of high school  
16 graduates (as defined in section 103(d)(3) of the  
17 Higher Education Facilities Act of 1963) of such  
18 State bears to the total number of such high school  
19 graduates of all the States, and

20 (3) one-third shall be allotted by him among the  
21 States so that the allotment to each State under this  
22 clause will be an amount which bears the same ratio to  
23 such one-third as the number of related children under  
24 eighteen years of age living in families with annual  
25 incomes of less than \$3,000 in such State bears to the



1        *number of related children under eighteen years of age*  
 2        *living in families with annual incomes of less than*  
 3        *\$3,000 in all the States.*

4        *(c) The amount of any State's allotment which has not*  
 5        *been granted to an institution of higher education under*  
 6        *section 123 at the end of the fiscal year for which appro-*  
 7        *priated shall be reallocated by the Director, in such manner as*  
 8        *he determines will best assist in achieving the purposes of*  
 9        *this Act. Amounts reallocated under this subsection shall be*  
 10       *available for making grants under section 123 until the close*  
 11       *of the fiscal year next succeeding the fiscal year for which*  
 12       *appropriated.*

13       *(d) For purposes of this section, the term "State" does*  
 14       *not include Puerto Rico, Guam, American Samoa, the Trust*  
 15       *Territory of the Pacific Islands, and the Virgin Islands.*

#### 16                    GRANTS FOR WORK-STUDY PROGRAMS

17       *SEC. 123. The Director is authorized to enter into*  
 18       *agreements with institutions of higher education (as defined*  
 19       *by section 401(f) of the Higher Education Facilities Act of*  
 20       *1963 (P.L. 88-204)) under which the Director will make*  
 21       *grants to such institutions to assist in the operation of work-*  
 22       *study programs as hereinafter provided.*

#### 23                    CONDITIONS OF AGREEMENTS

24       *SEC. 124. An agreement entered into pursuant to sec-*  
 25       *tion 123 shall—*

26                *(a) provide for the operation by the institution of*

1 a program for the part-time employment of its students  
2 in work—

3 (1) for the institution itself, or

4 (2) for a public or private nonprofit organiza-  
5 tion when the position is obtained through an  
6 arrangement between the institution and such an  
7 organization and—

8 (A) the work is related to the student's  
9 educational objective, or

10 (B) such work (i) will be in the public  
11 interest and is work which would not otherwise  
12 be provided, (ii) will not result in the displace-  
13 ment of employed workers or impair existing  
14 contracts for services, and (iii) will be governed  
15 by such conditions of employment as will be  
16 appropriate and reasonable in light of such fac-  
17 tors as the type of work performed, geographi-  
18 cal region, and proficiency of the employee:

19 Provided, however, That no such work shall involve the  
20 construction, operation, or maintenance of so much of any  
21 facility used or to be used for sectarian instruction or  
22 as a place for religious worship;

23 (b) provide that funds granted an institution of  
24 higher education, pursuant to section 123 may be used  
25 only to make payments to students participating in  
26 work-study programs, except that an institution may use



1        *a portion of the sums granted to it to meet administra-*  
2        *tive expenses, but the amount so used may not exceed*  
3        *5 per centum of the payments made by the Director to*  
4        *such institution for that part of the work-study program*  
5        *in which students are working for public or nonprofit*  
6        *organizations other than the institution itself;*

7            *(c) provide that employment under such work-*  
8        *study program shall be furnished only to a student who*  
9        *(1) is from a low-income family, (2) is in need of the*  
10       *earnings from such employment in order to pursue a*  
11       *course of study at such institution, (3) is capable, in the*  
12       *opinion of the institution, of maintaining good standing*  
13       *in such course of study while employed under the pro-*  
14       *gram covered by the agreement, and (4) has been ac-*  
15       *cepted for enrollment as a full-time student at the institu-*  
16       *tion or, in the case of a student already enrolled in*  
17       *and attending the institution, is in good standing and in*  
18       *full-time attendance there either as an undergraduate,*  
19       *graduate, or professional student;*

20           *(d) provide that no student shall be employed*  
21       *under such work-study program for more than fifteen*  
22       *hours in any week in which classes in which he is en-*  
23       *rolled are in session;*

24           *(e) provide that in each fiscal year during which*  
25       *the agreement remains in effect, the institution shall ex-*  
26       *pend (from sources other than payments under this*

1 part) for the employment of its students (whether or not  
2 in employment eligible for assistance under this part)  
3 an amount that is not less than its average annual ex-  
4 penditure for such employment during the three fiscal  
5 years preceding the fiscal year in which the agreement is  
6 entered into;

7 (f) provide that the Federal share of the compen-  
8 sation of students employed in the work-study program  
9 in accordance with the agreement will not exceed 90  
10 per centum of such compensation for work performed  
11 during the period ending two years after the date of  
12 enactment of this Act, or June 30, 1966, whichever is  
13 later, and 75 per centum thereafter;

14 (g) include provisions designed to make employ-  
15 ment under such work-study program, or equivalent  
16 employment offered or arranged for by the institution,  
17 reasonably available (to the extent of available funds)  
18 to all eligible students in the institution in need thereof;  
19 and

20 (h) include such other provisions as the Director  
21 shall deem necessary or appropriate to carry out the  
22 purposes of this part.

#### 23 SOURCES OF MATCHING FUNDS

24 SEC. 125. Nothing in this part shall be construed as  
25 restricting the source (other than this part) from which  
26 the institution may pay its share of the compensation of a



1 *student employed under a work-study program covered by*  
 2 *an agreement under this part.*

3 *EQUITABLE DISTRIBUTION OF ASSISTANCE*

4 *SEC. 126. The Director shall establish criteria designed*  
 5 *to achieve such distribution of assistance under this part*  
 6 *among institutions of higher education within a State as will*  
 7 *most effectively carry out the purposes of this Act.*

8 *PART D—AUTHORIZATION OF APPROPRIATIONS*

9 *SEC. 131. The Director shall carry out the programs*  
 10 *provided for in this title during the fiscal year ending*  
 11 *June 30, 1965, and the two succeeding fiscal years. For the*  
 12 *purpose of carrying out this title, there is hereby authorized*  
 13 *to be appropriated the sum of \$412,500,000 for the fiscal*  
 14 *year ending June 30, 1965; and for the fiscal year ending*  
 15 *June 30, 1966, and the fiscal year ending June 30, 1967,*  
 16 *such sums may be appropriated as the Congress may here-*  
 17 *after authorize by law.*

18 *TITLE II—URBAN AND RURAL COMMUNITY*  
 19 *ACTION PROGRAMS*

20 *PART A—GENERAL COMMUNITY ACTION PROGRAMS*

21 *STATEMENT OF PURPOSE*

22 *SEC. 201. The purpose of this part is to provide stimula-*  
 23 *tion and incentive for urban and rural communities to*  
 24 *mobilize their resources to combat poverty through com-*  
 25 *munity action programs.*

1                    **COMMUNITY ACTION PROGRAMS**

2            *SEC. 202. (a) The term "community action program"*  
3    *means a program—*

4            *(1) which mobilizes and utilizes resources, public*  
5    *or private, of any urban or rural, or combined urban*  
6    *and rural, geographical area (referred to in this part as*  
7    *a "community"), including but not limited to a State,*  
8    *metropolitan area, county, city, town, multicity unit, or*  
9    *multicounty unit in an attack on poverty;*

10           *(2) which provides services, assistance, and other*  
11    *activities of sufficient scope and size to give promise of*  
12    *progress toward elimination of poverty or a cause or*  
13    *causes of poverty through developing employment op-*  
14    *portunities, improving human performance, motivation,*  
15    *and productivity, or bettering the conditions under which*  
16    *people live, learn, and work;*

17           *(3) which is developed, conducted, and adminis-*  
18    *tered with the maximum feasible participation of resi-*  
19    *dents of the areas and members of the groups served; and*

20           *(4) which is conducted, administered, or coordi-*  
21    *nated by a public or private nonprofit agency (other*  
22    *than a political party), or a combination thereof.*

23           *(b) The Director is authorized to prescribe such addi-*  
24    *tional criteria for programs carried on under this part as he*  
25    *shall deem appropriate.*



## 1                   ALLOTMENTS TO STATES

2       *SEC. 203. (a) From the sums appropriated to carry*  
3 *out this title for a fiscal year, the Director shall reserve the*  
4 *amount needed for carrying out sections 204 and 205. Not*  
5 *to exceed 2 per centum of the amount so reserved shall be*  
6 *allotted by the Director among Puerto Rico, Guam, Ameri-*  
7 *can Samoa, the Trust Territory of the Pacific Islands,*  
8 *and the Virgin Islands according to their respective*  
9 *needs for assistance under this part. Twenty per centum*  
10 *of the amount so reserved shall be allotted among the*  
11 *States as the Director shall determine. The remainder*  
12 *of the sums so reserved shall be allotted among the States*  
13 *as provided in subsection (b).*

14       *(b) Of the sums being allotted under this subsection—*

15           *(1) one-third shall be allotted by the Director*  
16 *among the States so that the allotment to each State*  
17 *under this clause will be an amount which bears the*  
18 *same ratio to such one-third as the number of public*  
19 *assistance recipients in such State bears to the total*  
20 *number of public assistance recipients in all the States;*

21           *(2) one-third shall be allotted by him among the*  
22 *States so that the allotment to each State under this*  
23 *clause will be an amount which bears the same ratio to*  
24 *such one-third as the annual average number of persons*  
25 *unemployed in such State bears to the annual average*  
26 *number of persons unemployed in all the States; and*

1           (3) the remaining one-third shall be allotted by him  
2       among the States so that the allotment to each State  
3       under this clause will be an amount which bears the  
4       same ratio to such one-third as the number of related  
5       children under 18 years of age living in families with  
6       incomes of less than \$1,000 in such State bears to the  
7       number of related children under 18 years of age living  
8       in families with incomes of less than \$1,000 in all the  
9       States.

10       (c) The portion of any State's allotment under sub-  
11       section (a) for a fiscal year which the Director determines  
12       will not be required for such fiscal year for carrying out this  
13       part shall be available for reallotment from time to time,  
14       on such dates during such year as the Director may fix, to  
15       other States in proportion to their original allotments for such  
16       year, but with such proportionate amount for any of such  
17       other States being reduced to the extent it exceeds the sum  
18       which the Director estimates such State needs and will be  
19       able to use for such year for carrying out this part; and the  
20       total of such reductions shall be similarly reallotted among  
21       the States whose proportionate amounts are not so reduced.  
22       Any amount reallotted to a State under this subsection during  
23       a year shall be deemed part of its allotment under subsection  
24       (a) for such year.

25       (d) For the purposes of this section, the term "State"



1 *does not include Puerto Rico, Guam, American Samoa, the*  
2 *Trust Territory of the Pacific Islands, and the Virgin Islands.*

3 *FINANCIAL ASSISTANCE FOR DEVELOPMENT OF*  
4 *COMMUNITY ACTION PROGRAMS*

5 *SEC. 204. The Director is authorized to make grants to,*  
6 *or to contract with, appropriate public or private nonprofit*  
7 *agencies, or combinations thereof, to pay part or all of the*  
8 *costs of development of community action programs.*

9 *FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRA-*  
10 *TION OF COMMUNITY ACTION PROGRAMS*

11 *SEC. 205. (a) The Director is authorized to make*  
12 *grants to, or to contract with, public or private nonprofit*  
13 *agencies, or combinations thereof, to pay part or all of the*  
14 *costs of community action programs which have been ap-*  
15 *proved by him pursuant to this part, including the cost of*  
16 *carrying out programs which are components of a com-*  
17 *munity action program and which are designed to achieve*  
18 *the purposes of this part. Such component programs shall*  
19 *be focused upon the needs of low-income individuals and*  
20 *families and shall provide expanded and improved services,*  
21 *assistance, and other activities, and facilities necessary in*  
22 *connection therewith. Such programs shall be conducted*  
23 *in those fields which fall within the purposes of this part*  
24 *including employment, job training and counseling, health,*  
25 *vocational rehabilitation, housing, home management, wel-*  
26 *fare, and special remedial and other noncurricular educa-*

1    *tional assistance for the benefit of low-income individuals and*  
2    *families.*

3        *(b) No grant or contract authorized under this part*  
4    *may provide for general aid to elementary or secondary*  
5    *education in any school or school system.*

6        *(c) In determining whether to extend assistance under*  
7    *this section the Director shall consider among other relevant*  
8    *factors the incidence of poverty within the community and*  
9    *within the areas or groups to be affected by the specific*  
10   *program or programs, and the extent to which the appli-*  
11   *cant is in a position to utilize efficiently and expeditiously*  
12   *the assistance for which application is made. In deter-*  
13   *mining the incidence of poverty the Director shall consider*  
14   *information available with respect to such factors as: the*  
15   *concentration of low-income families, particularly those*  
16   *with children; the extent of persistent unemployment and*  
17   *underemployment; the number and proportion of persons*  
18   *receiving cash or other assistance on a needs basis from*  
19   *public agencies or private organizations; the number of mi-*  
20   *grant or transient low-income families; school dropout rates,*  
21   *military service rejection rates, and other evidences of low*  
22   *educational attainment; the incidence of disease, disability,*  
23   *and infant mortality; housing conditions; adequacy of com-*  
24   *munity facilities and services; and the incidence of crime*  
25   *and juvenile delinquency.*

26        *(d) In extending assistance under this section the Di-*



1 rector shall give special consideration to programs which  
2 give promise of effecting a permanent increase in the capacity  
3 of individuals, groups, and communities to deal with their  
4 problems without further assistance.

5 TECHNICAL ASSISTANCE

6 SEC. 206. The Director is authorized to provide, either  
7 directly or through grants or other arrangements, (1)  
8 technical assistance to communities in developing, con-  
9 ducting, and administering community action programs, and  
10 (2) training for specialized personnel needed to develop,  
11 conduct, or administer such programs or to provide services  
12 or other assistance thereunder.

13 RESEARCH, TRAINING, AND DEMONSTRATIONS

14 SEC. 207. The Director is authorized to conduct, or to  
15 make grants to or enter into contracts with institutions of  
16 higher education or other appropriate public agencies or  
17 private organizations for the conduct of, research, training,  
18 and demonstrations pertaining to the purposes of this part.  
19 Expenditures under this section in any fiscal year shall not  
20 exceed 15 per centum of the sums appropriated or allocated  
21 for such year to carry out the purposes of this part.

22 LIMITATIONS ON FEDERAL ASSISTANCE

23 SEC. 208. (a) Assistance pursuant to sections 204 and  
24 205 paid for the period ending two years after the date of  
25 enactment of this Act, or June 30, 1966, whichever is later,  
26 shall not exceed 90 per centum of the costs referred to in

1 those sections, respectively, and thereafter shall not exceed  
2 50 per centum of such costs, unless the Director determines,  
3 pursuant to regulations adopted and promulgated by him  
4 establishing objective criteria for such determinations, that  
5 assistance in excess of such percentages is required in fur-  
6 therance of the purposes of this part. Non-Federal con-  
7 tributions may be in cash or in kind, fairly evaluated, in-  
8 cluding but not limited to plant, equipment, and services.

9 (b) The expenditures or contributions made from non-  
10 Federal sources for a community action program or  
11 component thereof shall be in addition to the aggregate ex-  
12 penditures or contributions from non-Federal sources which  
13 were being made for similar purposes prior to the extension  
14 of Federal assistance.

15 PARTICIPATION OF STATE AGENCIES

16 SEC. 209. (a) The Director shall establish procedures  
17 which will facilitate effective participation of the States in  
18 community action programs.

19 (b) The Director is authorized to make grants to, or  
20 to contract with, appropriate State agencies for the payment  
21 of the expenses of such agencies in providing technical assist-  
22 ance to communities in developing, conducting, and admin-  
23 istering community action programs.

24 (c) In carrying out the provisions of title I and title II  
25 of this Act, no contract, agreement, grant, loan, or other  
26 assistance shall be made with, or provided to, any State or



1 local public agency or any private institution or organization  
 2 for the purpose of carrying out any program, project, or other  
 3 activity within a State unless a plan setting forth such  
 4 proposed contract, agreement, grant, loan, or other assistance  
 5 has been submitted to the Governor of the State, and such  
 6 plan has not been disapproved by him within thirty days  
 7 of such submission: Provided, however, That this section  
 8 shall not apply to contracts, agreements, grants, loans, or  
 9 other assistance to any institution of higher education in  
 10 existence on the date of the approval of this Act.

11 (d) No private institution or organization shall be  
 12 eligible for participation under this part unless it (1) is  
 13 itself an institution or organization which has, prior to its  
 14 consideration for such participation, had a concern with  
 15 problems of poverty, or (2) is sponsored by one or more  
 16 such institutions or organizations or by a public agency, or  
 17 (3) is an institution of higher education (as defined by  
 18 section 401(f) of the Higher Education Facilities Act of  
 19 1963).

#### 20 EQUITABLE DISTRIBUTION OF ASSISTANCE

21 SEC. 210. The Director shall establish criteria designed  
 22 to achieve an equitable distribution of assistance under this  
 23 part within the States between urban and rural areas. In  
 24 developing such criteria, he shall consider the relative num-  
 25 bers in the States or areas therein of: (1) low-income  
 26 families, particularly those with children; (2) unemployed

1 persons; (3) persons receiving cash or other assistance on  
 2 a needs basis from public agencies or private organizations;  
 3 (4) school dropouts; (5) adults with less than an eighth-  
 4 grade education; (6) persons rejected for military service;  
 5 and (7) persons living in urban places compared to the  
 6 number living in rural places as determined by the Bureau  
 7 of the Census for the 1960 census.

#### 8 PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

9 SEC. 211. In determining whether to extend assistance  
 10 under this Act, the Director shall, to the extent feasible, give  
 11 preference to programs and projects which are components of  
 12 a community action program approved pursuant to this part.

#### 13 PART B—ADULT BASIC EDUCATION PROGRAMS

##### 14 DECLARATION OF PURPOSE

15 SEC. 212. It is the purpose of this part to initiate pro-  
 16 grams of instruction for individuals who have attained age  
 17 eighteen and whose inability to read and write the English  
 18 language constitutes a substantial impairment of their ability  
 19 to get or retain employment commensurate with their real  
 20 ability, so as to help eliminate such inability and raise the  
 21 level of education of such individuals with a view to making  
 22 them less likely to become dependent on others, improving  
 23 their ability to benefit from occupational training and other-  
 24 wise increasing their opportunities for more productive and  
 25 profitable employment, and making them better able to  
 26 meet their adult responsibilities.



## 1 GRANTS TO STATES

2 SEC. 213. (a) *From the sums appropriated to carry out*  
3 *this title, the Director shall make grants to States which*  
4 *have State plans approved by him under this section.*

5 (b) *Grants under subsection (a) may be used, in ac-*  
6 *cordance with regulations of the Director, to—*

7 (1) *assist in establishment of pilot projects by local*  
8 *educational agencies, relating to instruction in public*  
9 *schools, or other facilities used for the purpose by such*  
10 *agencies, of individuals described in section 212, to (A)*  
11 *demonstrate, test, or develop modifications, or adaptations*  
12 *in the light of local needs, of special materials or meth-*  
13 *ods for instruction of such individuals, (B) stimulate the*  
14 *development of local educational agency programs for*  
15 *instruction of such individuals in such schools or other*  
16 *facilities, and (C) acquire additional information con-*  
17 *cerning the materials or methods needed for an effective*  
18 *program for raising adult basic educational skills;*

19 (2) *assist in meeting the cost of local educational*  
20 *agency programs for instruction of such individuals in*  
21 *such schools or other facilities; and*

22 (3) *assist in development or improvement of tech-*  
23 *nical or supervisory services by the State educational*  
24 *agency relating to adult basic education programs.*

## STATE PLANS

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with



1 section 213(b), of grants under this part which affords  
2 assurance of substantial progress, within a reasonable  
3 period and with respect to all segments of the popula-  
4 tion and all areas of the State, toward elimination of the  
5 inability of adults to read and write English and toward  
6 substantially raising the level of education of individuals  
7 described in section 212.

8       (b) *The Director shall not finally disapprove any State*  
9 *plan submitted under this part, or any modification thereof,*  
10 *without first affording the State educational agency reason-*  
11 *able notice and opportunity for a hearing.*

12 *ALLOTMENTS*

13        *SEC. 215. (a) From the sums allocated for grants to*  
14 *States under section 213 for any fiscal year, the Director*  
15 *shall reserve such amount, but not in excess of 2 per centum*  
16 *thereof, as he may determine, and shall allot such amount*  
17 *among Puerto Rico, Guam, American Samoa, and the Vir-*  
18 *gin Islands according to their respective needs for assistance*  
19 *under this part. The remainder of the sums so allocated for a*  
20 *fiscal year shall be allotted by the Director on the basis of the*  
21 *relative number of individuals in each State who have at-*  
22 *tained age eighteen and who have completed not more than*  
23 *five grades of school or have not achieved an equivalent level*  
24 *of education, as determined by the Director on the basis of*  
25 *the best and most recent information available to him, includ-*  
26 *ing any relevant data furnished to him by the Department of*

1 *Commerce. The amount allotted to any State under the pre-*  
2 *ceding sentence for any fiscal year which is less than \$50,000*  
3 *shall be increased to that amount, the total thereby required*  
4 *being derived by proportionately reducing the amount allotted*  
5 *to each of the remaining States under the preceding sentence,*  
6 *but with such adjustments as may be necessary to prevent the*  
7 *allotment of any of such remaining States from being thereby*  
8 *reduced to less than \$50,000. For the purposes of this*  
9 *subsection, the term "State" shall not include Puerto Rico,*  
10 *Guam, American Samoa, and the Virgin Islands.*

11 *(b) The portion of any State's allotment under sub-*  
12 *section (a) for a fiscal year which the Director determines*  
13 *will not be required, for the period such allotment is avail-*  
14 *able, for carrying out the State plan (if any) approved under*  
15 *this part shall be available for reallocation from time to time,*  
16 *on such dates during such period as the Director may fix, to*  
17 *other States in proportion to the original allotments to such*  
18 *States under subsection (a) for such year, but with such*  
19 *proportionate amount for any of such other States being*  
20 *reduced to the extent it exceeds the sum which the Director*  
21 *estimates such State needs and will be able to use for such*  
22 *period for carrying out its State plan approved under this*  
23 *part; and the total of such reductions shall be similarly*  
24 *reallocated among the States whose proportionate amounts*  
25 *are not so reduced. Any amount reallocated to a State under*



1 *this subsection during a year shall be deemed part of its*  
2 *allotment under subsection (a) for such year.*

3 *(c) The allotment of any State under subsection (a)*  
4 *for the fiscal year ending June 30, 1965, shall, except to the*  
5 *extent reallocated under subsection (b), remain available*  
6 *until June 30, 1966, for obligation by such State for carry-*  
7 *ing out its State plan approved under this part.*

8 **PAYMENTS**

9 *SEC. 216. (a) From a State's allotment available for*  
10 *the purpose, the Federal share of expenditures, under its*  
11 *State plan, for the purposes set forth in section 213(b) shall*  
12 *be paid to such State. Such payments shall be made in*  
13 *advance on the basis of estimates by the Director; and may*  
14 *be made in such installments as the Director may determine,*  
15 *after making appropriate adjustments to take account of*  
16 *previously made overpayments or underpayments; except*  
17 *that no such payments shall be made for any fiscal year un-*  
18 *less the Director finds that the amount available for expendi-*  
19 *tures for adult basic educational programs and services from*  
20 *State sources for such year will be not less than the amount*  
21 *expended for such purposes from such sources during the*  
22 *preceding fiscal year.*

23 *(b) For the fiscal year ending June 30, 1965, and the*  
24 *fiscal year ending June 30, 1966, the Federal share for each*  
25 *State shall be 90 per centum. For the succeeding fiscal year*  
26 *the Federal share for any State shall be 50 per centum.*

1 OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL  
2 REVIEW

3 SEC. 217. (a) Whenever the Director, after reasonable  
4 notice and opportunity for hearing to the State educational  
5 agency administering a State plan approved under this part,  
6 finds that—

7 (1) the State plan has been so changed that it no  
8 longer complies with the provisions of section 214, or

9 (2) in the administration of the plan there is a  
10 failure to comply substantially with any such provision,  
11 the Director shall notify such State agency that no further  
12 payments will be made to the State under this part (or in  
13 his discretion, that further payments to the State will be  
14 limited to programs under or portions of the State plan not  
15 affected by such failure), until he is satisfied that there  
16 will no longer be any failure to comply. Until he is so  
17 satisfied, no further payments may be made to such State  
18 under this part (or payments shall be limited to programs  
19 under or portions of the State plan not affected by such  
20 failure).

21 (b) A State educational agency dissatisfied with a final  
22 action of the Director under section 214 or subsection (a)  
23 of this section may appeal to the United States court of  
24 appeals for the circuit in which the State is located, by  
25 filing a petition with such court within sixty days after such  
26 final action. A copy of the petition shall be forthwith trans-



mitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

## MISCELLANEOUS

SEC. 218. For purposes of this part—

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(2) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

## PART C—VOLUNTARY ASSISTANCE PROGRAM FOR NEEDY CHILDREN

### STATEMENT OF PURPOSE

SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or



1 more needy children, in a program coordinated with city or  
2 county social welfare agencies.

### 3 AUTHORITY TO ESTABLISH INFORMATION CENTER

4 SEC. 220. (a) In order to carry out the purposes of  
5 this part, the Director is authorized to establish a section  
6 within the Office of Economic Opportunity to act as an infor-  
7 mation and coordination center to encourage voluntary as-  
8 sistance for deserving and needy children. Such section shall  
9 collect the names of persons who voluntarily desire to assist  
10 financially such children and shall secure from city or county  
11 social welfare agencies such information concerning deserv-  
12 ing and needy children as the Director shall deem appro-  
13 priate.

14 (b) It is the intent of the Congress that the section  
15 established pursuant to this part shall act solely as an in-  
16 formation and coordination center and that nothing in this  
17 part shall be construed as interfering with the jurisdiction  
18 of State and local welfare agencies with respect to programs  
19 for needy children.

### 20 PART D—AUTHORIZATION OF APPROPRIATIONS

21 SEC. 221. The Director shall carry out the programs  
22 provided for in this title during the fiscal year ending  
23 June 30, 1965, and the two succeeding fiscal years. For the  
24 purpose of carrying out this title, there is hereby author-  
25 ized to be appropriated the sum of \$340,000,000 for the  
26 fiscal year ending June 30, 1965; and for the fiscal year

1 *ending June 30, 1966, and the fiscal year ending June 30,*  
2 *1967, such sums may be appropriated as the Congress*  
3 *may hereafter authorize by law.*

4 *TITLE III—SPECIAL PROGRAMS TO COMBAT*  
5 *POVERTY IN RURAL AREAS*

6 *STATEMENT OF PURPOSE*

7 *SEC. 301. It is the purpose of this title to meet some of*  
8 *the special problems of rural poverty and thereby to raise*  
9 *and maintain the income and living standards of low-income*  
10 *rural families and migrant agricultural employees and their*  
11 *families.*

12 *PART A—AUTHORITY TO MAKE GRANTS AND LOANS*

13 *SEC. 302. (a) The Director is authorized to make—*  
14 *(1) loans having a maximum maturity of 15 years*  
15 *and in amounts not exceeding \$2,500 in the ag-*  
16 *gregate to any low income rural family where, in the*  
17 *judgment of the Director, such loans have a reasonable*  
18 *possibility of effecting a permanent increase in the in-*  
19 *come of such families by assisting or permitting them*  
20 *to—*

21 *(A) acquire or improve real estate or reduce*  
22 *encumbrances or erect improvements thereon,*

23 *(B) operate or improve the operation of farms*  
24 *not larger than family sized, including but not lim-*  
25 *ited to the purchase of feed, seed, fertilizer, livestock,*  
26 *poultry, and equipment, or*



1           (C) participate in cooperative associations;  
2           and/or to finance nonagricultural enterprises which  
3           will enable such families to supplement their income.

4           (b) Loans under this section shall be made only if  
5           the family is not qualified to obtain such funds by loan under  
6           other Federal programs.

7                               COOPERATIVE ASSOCIATIONS

8           SEC. 303. The Director is authorized to make loans to  
9           local cooperative associations furnishing essential processing,  
10          purchasing, or marketing services; supplies, or facilities pre-  
11          dominantly to low-income rural families.

12                            LIMITATIONS ON ASSISTANCE

13          SEC. 304. No financial or other assistance shall be pro-  
14          vided under this part unless the Director determines that—

15               (a) the providing of such assistance will materially  
16               further the purposes of this part, and

17               (b) in the case of assistance provided pursuant to  
18               section 303, the applicant is fulfilling or will fulfill a  
19               need for services, facilities, or activities which is not  
20               otherwise being met.

21                            LOAN TERMS AND CONDITIONS

22          SEC. 305. Loans pursuant to sections 302 and 303 shall  
23          have such terms and conditions as the Director shall deter-  
24          mine, subject to the following limitations:

25               (a) there is reasonable assurance of repayment of  
26               the loan;

1           (b) the credit is not otherwise available on reason-  
2       able terms from private sources or other Federal, State,  
3       or local programs;

4           (c) the amount of the loan, together with other  
5       funds available, is adequate to assure completion of the  
6       project or achievement of the purposes for which the  
7       loan is made;

8           (d) the loan bears interest at a rate not less than  
9       (1) a rate determined by the Secretary of the Treasury,  
10      taking into consideration the average market yield on  
11      outstanding Treasury obligations of comparable maturity,  
12      plus (2) such additional charge, if any, toward covering  
13      other costs of the program as the Director may deter-  
14      mine to be consistent with its purposes;

15          (e) with respect to loans made pursuant to section  
16      303, the loan is repayable within not more than thirty  
17      years; and

18          (f) no financial or other assistance shall be pro-  
19      vided under this part to or in connection with any corpo-  
20      ration or cooperative organization for the production of  
21      agricultural commodities or for manufacturing purposes.

22   PART B—ASSISTANCE FOR MIGRANT, AND OTHER SEA-  
23      SONALLY EMPLOYED, AGRICULTURAL EMPLOYEES  
24      AND THEIR FAMILIES

25      SEC. 311. The Director shall develop and implement  
26      as soon as practicable a program to assist the States, political



1 subdivisions of States, public and nonprofit agencies, institu-  
2 tions, organizations, farm associations, or individuals in  
3 establishing and operating programs of assistance for  
4 migrant, and other seasonally employed, agricultural em-  
5 ployees and their families which programs shall be limited  
6 to housing, sanitation, education, and day care of children.  
7 Institutions, organizations, farm associations, or individuals  
8 shall be limited to direct loans.

9 *PART C—AUTHORIZATION OF APPROPRIATIONS*

10 *SEC. 321. The Director shall carry out the program*  
11 *provided for in this title during the fiscal year ending June*  
12 *30, 1965, and the two succeeding fiscal years. For the pur-*  
13 *pose of carrying out this title, there is hereby authorized to*  
14 *be appropriated the sum of \$35,000,000 for the fiscal year*  
15 *ending June 30, 1965; and for the fiscal year ending June*  
16 *30, 1966, and for the fiscal year ending June 30, 1967, such*  
17 *sums may be appropriated as the Congress may hereafter*  
18 *authorize by law. Not to exceed \$15,000,000 of the funds*  
19 *appropriated under other titles of this Act for the fiscal year*  
20 *ending June 30, 1965, may also be utilized for the purposes*  
21 *of part B of this title.*

22 *PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS*

23 *SEC. 331. (a) The Secretary of Agriculture is author-*  
24 *ized to make indemnity payments, at a fair market value,*  
25 *to dairy farmers who have been directed since January 1,*  
26 *1964, to remove their milk from commercial markets be-*

1 cause it contained residues of chemicals registered and ap-  
2 proved for use by the Federal Government at the time of  
3 such use. Such indemnity payments shall continue to each  
4 dairy farmer until he has been reinstated and is again al-  
5 lowed to dispose of his milk on commercial markets.

6 (b) There is hereby authorized to be appropriated such  
7 sums as may be necessary to carry out the purposes of  
8 this Act.

9 (c) The authority granted under this section shall  
10 expire on January 31, 1965.

## 11 TITLE IV—EMPLOYMENT AND INVESTMENT 12 INCENTIVES

### 13 STATEMENT OF PURPOSE

14 SEC. 401. It is the purpose of this title to assist in the  
15 establishment, preservation, and strengthening of small busi-  
16 ness concerns and improve the managerial skills employed  
17 in such enterprises; and to mobilize for these objectives  
18 private as well as public managerial skills and resources.

### 19 LOANS, PARTICIPATIONS, AND GUARANTIES

20 SEC. 402. The Director is authorized to make, partici-  
21 pate (on an immediate basis) in, or guarantee loans, repay-  
22 able in not more than fifteen years, to any small business  
23 concern (as defined in section 3 of the Small Business Act  
24 (15 U.S.C. 632) and regulations issued thereunder), or to  
25 any qualified person seeking to establish such a concern,  
26 when he determines that such loans will assist in carrying



1 out the purposes of this title, with particular emphasis on em-  
2 ployment of the long-term unemployed: Provided, however,  
3 That no such loans shall be made, participated in, or guar-  
4 anteed if the total of such Federal assistance to a single bor-  
5 rower outstanding at any one time would exceed \$25,000.  
6 The Director may defer payments on the principal of such  
7 loans for a grace period and use such other methods as he  
8 deems necessary and appropriate to assure the successful  
9 establishment and operation of such concern. The Director  
10 may, in his discretion, as a condition of such financial assist-  
11 ance, require that the borrower take steps to improve his  
12 management skills by participating in a management train-  
13 ing program approved by the Director. The Director shall  
14 encourage, as far as possible, the participation of the private  
15 business community in the program of assistance to such  
16 concerns.

#### 17 COORDINATION WITH COMMUNITY ACTION PROGRAMS

18 SEC. 403. No financial assistance shall be provided under  
19 section 402 in any community for which the Director has  
20 approved a community action program pursuant to title II  
21 of this Act unless such financial assistance is determined by  
22 him to be consistent with such program.

#### 23 FINANCING UNDER SMALL BUSINESS ACT

24 SEC. 404. Such lending and guaranty functions under  
25 this title as may be delegated to the Small Business Adminis-  
26 tration may be financed with funds appropriated to the

1 revolving fund established by section 4(c) of the Small  
2 Business Act (15 U.S.C. 633(c)) for the purposes of sec-  
3 tions 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636  
4 (a), 636(b), 637(a)).

5 LOAN TERMS AND CONDITIONS

6 SEC. 405. Loans made pursuant to section 402 (includ-  
7 ing immediate participations in and guaranties of such loans)  
8 shall have such terms and conditions as the Director shall  
9 determine, subject to the following limitations—

10 (a) there is reasonable assurance of repayment of  
11 the loan;

12 (b) the financial assistance is not otherwise avail-  
13 able on reasonable terms from private sources or other  
14 Federal, State, or local programs;

15 (c) the amount of the loan, together with other  
16 funds available, is adequate to assure completion of the  
17 project or achievement of the purposes for which the  
18 loan is made;

19 (d) the loan bears interest at a rate not less than  
20 (1) a rate determined by the Secretary of the Treasury,  
21 taking into consideration the average market yield on  
22 outstanding Treasury obligations of comparable maturity,  
23 plus (2) such additional charge, if any, toward covering  
24 other costs of the program as the Director may determine  
25 to be consistent with its purposes: Provided, however,  
26 That the rate of interest charged on loans made in re-



1     *development areas designated under the Area Redevelop-*  
2     *ment Act (42 U.S.C. 2501 et seq.) shall not exceed*  
3     *the rate currently applicable to new loans made under*  
4     *section 6 of that Act (42 U.S.C. 2505); and*

5             *(e) fees not in excess of amounts necessary to cover*  
6     *administrative expenses and probable losses may be*  
7     *required on loan guaranties.*

8             LIMITATION ON FINANCIAL ASSISTANCE

9     SEC. 406. *No financial assistance shall be extended pur-*  
10    *suant to this title where the Director determines that the as-*  
11    *sistance will be used in relocating establishments from one*  
12    *area to another or in financing subcontractors to enable them*  
13    *to undertake work theretofore performed in another area*  
14    *by other subcontractors or contractors.*

15            DURATION OF PROGRAM

16    SEC. 407. *The Director shall carry out the programs*  
17    *provided for in this title during the fiscal year ending June*  
18    *30, 1965, and the two succeeding fiscal years.*

19    TITLE V—WORK EXPERIENCE PROGRAMS

20            STATEMENT OF PURPOSE

21    SEC. 501. *It is the purpose of this title to expand the*  
22    *opportunities for constructive work experience and other*  
23    *needed training available to persons who are unable to sup-*  
24    *port or care for themselves or their families. In carrying*  
25    *out this purpose, the Director shall make maximum use of the*  
26    *programs available under the Manpower Development and*

1 *Training Act of 1962, as amended, and Vocational Educa-*  
2 *tion Act of 1963.*

3       *PAYMENTS FOR EXPERIMENTAL, PILOT, AND*  
4       *DEMONSTRATION PROJECTS*

5       *SEC. 502. In order to stimulate the adoption of pro-*  
6 *grams designed to help unemployed fathers and other needy*  
7 *persons to secure and retain employment or to attain or retain*  
8 *capability for self-support or personal independence, the*  
9 *Director is authorized to transfer funds appropriated or allo-*  
10 *cated to carry out the purposes of this title to the Secretary of*  
11 *Health, Education, and Welfare to enable him to make pay-*  
12 *ments for experimental, pilot, or demonstration projects under*  
13 *section 1115 of the Social Security Act (42 U.S.C. 1315),*  
14 *subject to the limitations contained in section 409(a)(1) to*  
15 *(6), inclusive, of such Act (42 U.S.C. 609(a)(1)-(6)),*  
16 *in addition to the sums otherwise available pursuant thereto.*  
17 *The costs of such projects to the United States for the fiscal*  
18 *year ending June 30, 1965, shall, notwithstanding the provi-*  
19 *sions of such Act, be met entirely from funds appropriated*  
20 *or allocated to carry out the purposes of this title.*

21       *AUTHORIZATION OF APPROPRIATIONS*

22       *SEC. 503. The Director shall carry out the programs*  
23 *provided for in this title during the fiscal year ending June*  
24 *30, 1965, and the two succeeding fiscal years. For the pur-*  
25 *pose of carrying out this title, there is hereby authorized to*  
26 *be appropriated the sum of \$150,000,000 for the fiscal year*



1 ending June 30, 1965; and for the fiscal year ending June  
2 30, 1966, and the fiscal year ending June 30, 1967, such  
3 sums may be appropriated as the Congress may hereafter  
4 authorize by law.

5 TITLE VI—ADMINISTRATION AND  
6 COORDINATION

7 PART A—ADMINISTRATION

8 OFFICE OF ECONOMIC OPPORTUNITY

9 SEC. 601. (a) There is hereby established in the Execu-  
10 tive Office of the President the Office of Economic Oppor-  
11 tunity. The Office shall be headed by a Director who shall  
12 be appointed by the President, by and with the advice and  
13 consent of the Senate. There shall also be in the Office one  
14 Deputy Director and three Assistant Directors who shall be  
15 appointed by the President, by and with the advice and con-  
16 sent of the Senate. The Deputy Director and the Assistant  
17 Directors shall perform such functions as the Director may  
18 from time to time prescribe.

19 (b) Notwithstanding the provisions of section 5(b) of  
20 the Reorganization Act of 1949 (5 U.S.C. 1332-3(b)), at  
21 any time after one year from the date of enactment hereof  
22 the President may, by complying with the procedures estab-  
23 lished by that Act, provide for the transfer of the Office from  
24 the Executive Office of the President and for its establish-  
25 ment elsewhere in the executive branch as he deems appro-  
26 priate.

1       (c) *The compensation of the Director of the Office of*  
2 *Economic Opportunity shall be fixed by the President at a*  
3 *rate not in excess of the annual rate of compensation pay-*  
4 *able to the Director of the Bureau of the Budget.*

5       (d) *The compensation of the Deputy Director of the*  
6 *Office of Economic Opportunity shall be fixed by the Presi-*  
7 *dent at a rate not in excess of the annual rate of compen-*  
8 *sation payable to the Deputy Director of the Bureau of the*  
9 *Budget.*

10       (e) *The compensation of the Assistant Directors of the*  
11 *Office of Economic Opportunity shall be fixed by the Presi-*  
12 *dent at a rate not in excess of the annual rate of compensa-*  
13 *tion payable to the Assistant Secretaries of the Executive*  
14 *Departments.*

15                                   AUTHORITY OF DIRECTOR

16       SEC. 602. *In addition to the authority conferred upon*  
17 *him by other sections of this Act, the Director is authorized,*  
18 *in carrying out his functions under this Act, to—*

19               (a) *appoint in accordance with the civil service*  
20 *laws such personnel as may be necessary to enable the*  
21 *Office to carry out its functions, and, except as otherwise*  
22 *provided herein, fix their compensation in accordance*  
23 *with the Classification Act of 1949 (5 U.S.C. 1071 et*  
24 *seq.);*

25               (b) *employ experts and consultants or organiza-*  
26 *tions thereof as authorized by section 15 of the Admin-*



1        *istrative Expenses Act of 1946 (5 U.S.C. 55a), com-*  
2        *pensate individuals so employed at rates not in excess*  
3        *of \$100 per diem, including travel time, and allow them,*  
4        *while away from their homes or regular places of busi-*  
5        *ness, travel expenses (including per diem in lieu of sub-*  
6        *sistence) as authorized by section 5 of such Act (5*  
7        *U.S.C. 73b-2) for persons in the Government service*  
8        *employed intermittently, while so employed: Provided,*  
9        *however, That contracts for such employment may be*  
10       *renewed annually;*

11            *(c) appoint, without regard to the civil service*  
12        *laws, one or more advisory committees composed of*  
13        *such private citizens and officials of the Federal, State,*  
14        *and local governments as he deems desirable to advise*  
15        *him with respect to his functions under this Act; and*  
16        *members of such committees (including the National*  
17        *Advisory Council established in section 605), other than*  
18        *those regularly employed by the Federal Government,*  
19        *while attending meetings of such committees or other-*  
20        *wise serving at the request of the Director, shall be*  
21        *entitled to receive compensation and travel expenses*  
22        *as provided in subsection (b) with respect to experts*  
23        *and consultants;*

24            *(d) with the approval of the President, arrange*  
25        *with and reimburse the heads of other Federal agencies*  
26        *for the performance of any of his functions under this*

1     *Act and, as necessary or appropriate, delegate any of*  
2     *his powers under this Act and authorize the redelega-*  
3     *tion thereof;*

4             *(e) utilize, with their consent, the services and*  
5     *facilities of Federal agencies without reimbursement,*  
6     *and, with the consent of any State or a political sub-*  
7     *division of a State, accept and utilize the services and*  
8     *facilities of the agencies of such State or subdivision with-*  
9     *out reimbursement;*

10            *(f) accept in the name of the Office, and employ*  
11     *or dispose of in furtherance of the purposes of this Act,*  
12     *or of any title thereof, any money or property, real,*  
13     *personal, or mixed, tangible or intangible, received by*  
14     *gift, devise, bequest, or otherwise;*

15            *(g) accept voluntary and uncompensated services,*  
16     *notwithstanding the provisions of section 3679(b) of*  
17     *the Revised Statutes (31 U.S.C. 665(b));*

18            *(h) allocate and expend, or transfer to other Fed-*  
19     *eral agencies for expenditure, funds made available un-*  
20     *der this Act as he deems necessary to carry out the*  
21     *provisions hereof, including (without regard to the pro-*  
22     *visions of section 4774(d) of title 10, United States*  
23     *Code) expenditure for construction, repairs, and capital*  
24     *improvements;*

25            *(i) disseminate, without regard to the provisions of*  
26     *section 4154 of title 39, United States Code, data and*



1        *information, in such form as he shall deem appropriate,*  
2        *to public agencies, private organizations, and the gen-*  
3        *eral public;*

4            *(j) adopt an official seal, which shall be judicially*  
5        *noticed;*

6            *(k) notwithstanding any other provision of law*  
7        *relating to the acquisition, handling, or disposal of*  
8        *real or personal property by the United States, deal*  
9        *with, complete, rent, renovate, modernize, or sell for*  
10       *cash or credit at his discretion any properties acquired*  
11       *by him in connection with loans, participations, and*  
12       *guaranties made by him pursuant to titles III and IV of*  
13       *this Act;*

14           *(l) collect or compromise all obligations to or held*  
15       *by him and all legal or equitable rights accruing to*  
16       *him in connection with the payment of obligations until*  
17       *such time as such obligations may be referred to the*  
18       *Attorney General for suit or collection;*

19           *(m) expend, without regard to the provisions of any*  
20       *other law or regulation, funds made available for pur-*  
21       *poses of this Act (1) for printing and binding, and (2)*  
22       *for rent of buildings and space in buildings and for*  
23       *repair, alteration, and improvement of buildings and*  
24       *space in buildings rented by him; but the Director shall*  
25       *not utilize the authority contained in this clause (A) ex-*  
26       *cept when necessary in order to obtain an item, service,*

1     *or facility, which is required in the proper administra-*  
2     *tion of this Act, and which otherwise could not be ob-*  
3     *tained, or could not be obtained in the quantity or quality*  
4     *needed, or at the time, in the form, or under the con-*  
5     *ditions in which, it is needed, and (B) prior to having*  
6     *given written notification to the Administrator of General*  
7     *Services (if the exercise of such authority would affect*  
8     *an activity which otherwise would be under the jurisdic-*  
9     *tion of the General Services Administration) or the*  
10    *Chairman of the Joint Committee on Printing (if the*  
11    *exercise of such authority would affect an activity which*  
12    *otherwise would be under the jurisdiction of such Com-*  
13    *mittee) of his intention to exercise such authority, the*  
14    *item, service, or facility with respect to which such*  
15    *authority is proposed to be exercised, and the reasons*  
16    *and justifications for the exercise of such authority;*  
17    *and*

18       *(n) establish such policies, standards, criteria, and*  
19    *procedures, prescribe such rules and regulations, enter*  
20    *into such contracts and agreements with public agencies*  
21    *and private organizations and persons, make such pay-*  
22    *ments (in lump sum or installments, and in advance*  
23    *or by way of reimbursement, and in the case of grants,*  
24    *with necessary adjustments on account of overpay-*  
25    *ments or underpayments), and generally perform such*  
26    *functions and take such steps as he may deem to be*



1       *necessary or appropriate to carry out the provisions of*  
2       *this Act.*

3               *VOLUNTEERS IN SERVICE TO AMERICA*

4       *SEC. 603. (a) The Director is authorized to recruit,*  
5       *select, train, and—*

6               *(1) upon request of State or local agencies or pri-*  
7       *vate nonprofit organizations, refer volunteers to perform*  
8       *duties in furtherance of programs combating poverty at*  
9       *a State or local level; and*

10              *(2) in cooperation with other Federal, State, or*  
11       *local agencies involved, assign volunteers to work (A)*  
12       *in meeting the health, education, welfare, or related*  
13       *needs of Indians living on reservations, of migratory*  
14       *workers and their families, or of residents of the District*  
15       *of Columbia, the Commonwealth of Puerto Rico, Guam,*  
16       *American Samoa, the Virgin Islands, or the Trust Terri-*  
17       *tory of the Pacific Islands; (B) in the care and reha-*  
18       *bilitation of the mentally ill or mentally retarded under*  
19       *treatment at nonprofit mental health or mental retarda-*  
20       *tion facilities assisted in their construction or operation*  
21       *by Federal funds; and (C) in furtherance of programs*  
22       *or activities authorized or supported under title I or II*  
23       *of this Act.*

24              *(b) The referral or assignment of volunteers shall be*  
25       *on such terms and conditions as the Director may determine,*

1 *but volunteers shall not be referred or assigned to duties or*  
2 *work in any State without the consent of the Governor.*

3 *(c) The Director is authorized to provide to all volun-*  
4 *teers during training and to volunteers assigned pursuant to*  
5 *subsection (a)(2) such stipend, not to exceed \$50 per*  
6 *month, such living, travel, and leave allowances, and such*  
7 *housing, transportation (including travel to and from the*  
8 *place of training), supplies, equipment, subsistence, clothing,*  
9 *and health and dental care as the Director may deem neces-*  
10 *sary or appropriate for their needs.*

11 *(d) Volunteers shall be deemed not to be Federal em-*  
12 *ployees and shall not be subject to the provisions of laws*  
13 *relating to Federal employment, including those relating to*  
14 *hours of work, rates of compensation, leave, unemployment*  
15 *compensation, and Federal employee benefits, except that all*  
16 *volunteers during training and such volunteers as are as-*  
17 *signed pursuant to subsection (a)(2) shall be deemed Fed-*  
18 *eral employees to the same extent as enrollees of the Corps*  
19 *under section 106 (b), (c), and (d) of this Act.*

20 *ECONOMIC OPPORTUNITY COUNCIL*

21 *SEC. 604. (a) There is hereby established an Economic*  
22 *Opportunity Council, which shall consult with and advise the*  
23 *Director in carrying out his functions, including the coordina-*  
24 *tion of antipoverty efforts by all segments of the Federal*  
25 *Government.*



1       (b) *The Council shall include the Director, who shall*  
 2 *be Chairman, the Secretary of Defense, the Attorney Gen-*  
 3 *eral, the Secretaries of the Interior, Agriculture, Commerce,*  
 4 *Labor, and Health, Education, and Welfare, the Housing*  
 5 *and Home Finance Administrator, the Administrator of the*  
 6 *Small Business Administration, the Chairman of the Council*  
 7 *of Economic Advisers, the Director of Selective Service, and*  
 8 *such other agency heads as the President may designate, or*  
 9 *delegates thereof.*

10                               NATIONAL ADVISORY COUNCIL

11       SEC. 605. *There is hereby established in the Office a*  
 12 *National Advisory Council. The Council shall be composed*  
 13 *of the Director, who shall be Chairman, and not more than*  
 14 *fourteen additional members appointed by the President,*  
 15 *without regard to the civil service laws, who shall be repre-*  
 16 *sentative of the public in general and appropriate fields of*  
 17 *endeavor related to the purposes of this Act. Upon the re-*  
 18 *quest of the Director, the Council shall review the opera-*  
 19 *tions and activities of the Office, and shall make such recom-*  
 20 *mendations with respect thereto as are appropriate. The*  
 21 *Council shall meet at least once each year and at such other*  
 22 *times as the Director may request.*

23                               REVOLVING FUND

24       SEC. 606. (a) *To carry out the lending and guaranty*  
 25 *functions authorized under titles III and IV of this Act,*  
 26 *there is authorized to be established a revolving fund. The*

1 capital of the fund shall consist of such amounts as may be  
2 advanced to it by the Director from funds appropriated pur-  
3 suant to section 321 and shall remain available until expended.

4 (b) The Director shall pay into miscellaneous receipts  
5 of the Treasury, at the close of each fiscal year, interest on  
6 the capital of the fund at a rate determined by the Secretary  
7 of the Treasury, taking into consideration the average market  
8 yield on outstanding Treasury obligations of comparable  
9 maturity during the last month of the preceding fiscal year.  
10 Interest payments may be deferred with the approval of the  
11 Secretary of the Treasury, but any interest payments so  
12 deferred shall themselves bear interest.

13 (c) Whenever any capital in the fund is determined by  
14 the Director to be in excess of current needs, such capital  
15 shall be credited to the appropriation from which advanced,  
16 where it shall be held for future advances.

17 (d) Receipts from any lending and guaranty operations  
18 under this Act (except operations under title IV carried on  
19 by the Small Business Administration) shall be credited to  
20 the fund. The fund shall be available for the payment of all  
21 expenditures of the Director for loans, participations, and  
22 guaranties authorized under titles III and IV of this Act.

#### 23 LABOR STANDARDS

24 SEC. 607. All laborers and mechanics employed by con-  
25 tractors or subcontractors in the construction, alteration or  
26 repair, including painting and decorating of projects, build-



ings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### REPORTS

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### DEFINITIONS

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, includ-

1 *ing the Trust Territory of the Pacific Islands, subject to the*  
 2 *jurisdiction of the United States.*

3 (b) The term "agency", unless the context requires  
 4 otherwise, means department, agency, or other component  
 5 of a Federal, State, or local governmental entity.

6 (c) The term "family," in the case of a Job Corps  
 7 enrollee, means—

8 (1) the spouse or child of an enrollee, and

9 (2) any other relative who draws substantial sup-  
 10 port from the enrollee.

# 11 *PART B—COORDINATION OF ANTIPOVERTY PROGRAMS*

## 12 *COORDINATION*

13 *SEC. 611. (a) In order to insure that all Federal pro-*  
 14 *grams related to the purposes of this Act are carried out in a*  
 15 *coordinated manner—*

16 (1) the Director is authorized to call upon other  
 17 Federal agencies to supply such statistical data, program  
 18 reports, and other materials as he deems necessary to  
 19 discharge his responsibilities under this Act, and to assist  
 20 the President in coordinating the antipoverty efforts of  
 21 all Federal agencies;

22 (2) Federal agencies which are engaged in admin-  
 23 istering programs related to the purposes of this Act, or  
 24 which otherwise perform functions relating thereto,  
 25 shall—

26 (A) cooperate with the Director in carrying



1           *out his duties and responsibilities under this Act;*  
2           *and*

3           *(B) carry out their programs and exercise their*  
4           *functions in such manner as will, to the maximum*  
5           *extent permitted by other applicable law, assist in*  
6           *carrying out the purposes of this Act; and*

7           *(3) the President may direct that particular pro-*  
8           *grams and functions, including the expenditure of funds,*  
9           *of the Federal agencies referred to in paragraph (2)*  
10          *shall be carried out, to the extent not inconsistent with*  
11          *other applicable law, in conjunction with or in support*  
12          *of programs authorized under this Act.*

13          *(b) In order to insure that all existing Federal agencies*  
14          *are utilized to the maximum extent possible in carrying out*  
15          *the purposes of this Act, no funds appropriated to carry out*  
16          *this Act shall be used to establish any new department or*  
17          *office when the intended function is being performed by an*  
18          *existing department or office.*

19          PREFERENCE TO COMMUNITY ACTION PROGRAMS

20          SEC. 612. *To the extent feasible and consistent with the*  
21          *provisions of law governing any Federal program and with*  
22          *the purposes of this Act, the head of each Federal agency*  
23          *administering any Federal program is directed to give*  
24          *preference to any application for assistance or benefits which*  
25          *is made pursuant to or in connection with a community action*  
26          *program approved pursuant to title II of this Act.*

## INFORMATION CENTER

*SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.*

## PROHIBITION OF FEDERAL CONTROL

*SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.*

## AUTHORIZATION OF APPROPRIATIONS

*SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section*



1 606(a)), there is hereby authorized to be appropriated the  
 2 sum of \$10,000,000 for the fiscal year ending June 30,  
 3 1965; and for the fiscal year ending June 30, 1966, and the  
 4 fiscal year ending June 30, 1967, such sums may be appro-  
 5 priated as the Congress may hereafter authorize by law.

6 SEC. 616. No part of any funds appropriated or other-  
 7 wise made available for expenditure under authority of this  
 8 Act shall be used to make payments to any individual unless  
 9 such individual has executed and filed with the Director an  
 10 affidavit that he does not believe in, and is not a member of  
 11 and does not support any organization that believes in or  
 12 teaches, the overthrow of the United States Government by  
 13 force or violence or by any illegal or unconstitutional  
 14 methods.

15 TITLE VII—TREATMENT OF INCOME FOR  
 16 CERTAIN PUBLIC ASSISTANCE PURPOSES

17 PUBLIC ASSISTANCE

18 SEC. 701. (a) Notwithstanding the provisions of titles  
 19 I, IV, X, XIV, and XVI of the Social Security Act, a State  
 20 plan approved under any such title shall provide that—

21 (1) the first \$85 plus one-half of the excess over  
 22 \$85 of payments made to or on behalf of any person for  
 23 or with respect to any month under title I or II of this  
 24 Act or any program assisted under such title shall not be  
 25 regarded (A) as income or resources of such person in  
 26 determining his need under such approved State plan,

or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

Passed the Senate July 23, 1964.

Attest:

FELTON M. JOHNSTON,

*Secretary.*

Passed the House of Representatives with an amendment August 8, 1964.

Attest:

RALPH R. ROBERTS,

*Clerk.*



88<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2642**

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**AN ACT**

To mobilize the human and financial resources  
of the Nation to combat poverty in the  
United States.

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 8, 1964

Ordered to be printed as passed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued August 11, 1964

For actions of August 10, 1964

88th-2nd; No. 155

## CONTENTS

|                           |                         |                         |
|---------------------------|-------------------------|-------------------------|
| Appropriations.....8      | Meat imports.....4      | Public Law 480.....1    |
| Conservation.....12       | National parks.....3,14 | Recreation.....7        |
| Electrification.....6     | Opinion poll.....13     | Research.....2          |
| Foreign aid.....10        | Patents.....15          | Rural development.....9 |
| Legislative program.....4 | Poverty.....5           | Water resources.....11  |

HIGHLIGHTS: House committee voted to report Public Law 480 bill. Senate debated foreign-aid authorization bill. Senate agreed to one hour debate limitation on House amendment to poverty bill. Senate committee reported land-water conservation fund bill. Senate committee reported bill restricting FPC jurisdiction over electric cooperatives.

## HOUSE

1. PUBLIC LAW 480. The Agriculture Committee voted to report (but did not actually report) H. R. 12298, to extend the Agricultural Trade Development and Assistance Act of 1954. p. D666
2. RESEARCH. Rep. Elliott presented and discussed the second report of the Select Committee on Government Research on administration of research and development grants (H. Rep. 1729). pp. 18266, A4206-7
3. NATIONAL PARKS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 12289, amended, to establish the Lewis and Clark Trail Commission; and H. R. 6925, amended, to provide for the establishment of the Canyonlands National Park, Utah. p. D666
4. LEGISLATIVE PROGRAM. The "Daily Digest" states that on Tues. action will be taken on the resolution providing for sending to conference H. R. 1839, the meat-import and wild birds and animals bill. p. D666



SENATE

5. POVERTY. Agreed to limit debate to 1 hour on agreeing to the House amendment to S. 2642, the poverty bill. p. 18243
6. ELECTRIFICATION. The Commerce Committee reported with amendments S. 2028, to amend the Federal Power Act regarding jurisdiction of the Federal Power Commission over nonprofit cooperatives (S. Rept. 1363). p. 18164
7. RECREATION. The Interior and Insular Affairs Committee reported H. R. 3846, to establish a land and water conservation fund (S. Rept. 1364) and, with amendments, S. 2249, to establish the Indiana Dunes National Lakeshore (S. Rept. 1362). pp. 18257, 18164
8. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL, 1965. A Subcommittee of the Appropriations Committee approved for full committee consideration this bill, H. R. 11134. p. D664
9. RURAL DEVELOPMENT. Sen. Humphrey inserted a speech by David E. Bell discussing the problems of rural development in underdeveloped areas. pp. 18188-90
10. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 18211-47

ITEMS IN APPENDIX

11. WATER RESOURCES. Sen. Holland inserted the annual report of the National Rivers and Harbors Congress. pp. A4201-2
12. CONSERVATION. Extension of remarks of Sen. Hartke inserting an article, "A Few More Acts, and 88th Will Be 'The Conservation Congress.'" pp. A4202-3
13. OPINION POLL. Extension of remarks of Rep. Broyhill, N. C., inserting the results of an opinion poll, including items of interest to this Department. pp. A4204-5
14. NATIONAL PARKS. Extension of remarks of Rep. Morris inserting Interior Secretary Udall's memorandum which "has clearly spelled out the management principles to be followed" in the management of the national parks. pp. A4208-10
15. PATENTS. Extension of remarks of Rep. Mathias stating that there is need for a revision of patent laws, and inserting three articles on this subject. pp. A4217-8

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COMMITTEE HEARINGS AUG. 11:

Food stamp bill, H. Rules

Housing bill, H. Rules

Independent offices appropriations, conferees (exec).

oOo



|           |             |            |
|-----------|-------------|------------|
| McGovern  | Pastore     | Smathers   |
| McIntyre  | Pell        | Smith      |
| McNamara  | Prouty      | Sparkman   |
| Metcalf   | Proxmire    | Stennis    |
| Monroney  | Randolph    | Symington  |
| Muskie    | Ribicoff    | Walters    |
| Nelson    | Sallinger   | Yarborough |
| Neuharber | Saltonstall |            |

## NOT VOTING—18

|           |         |                |
|-----------|---------|----------------|
| Anderson  | Gore    | Long, La.      |
| Byrd, Va. | Hayden  | Moss           |
| Cannon    | Hruska  | Pearson        |
| Clark     | Jackson | Russell        |
| Edmondson | Javits  | Scott          |
| Goldwater | Kennedy | Williams, N.J. |

So Mr. Morse's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

## LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the program for the remainder of the day and, insofar as he knows, what the program will be for tomorrow and when he proposes to convene the Senate.

Mr. MANSFIELD. It is my understanding that the distinguished senior Senator from Oregon, who has been most cooperative in offering amendments, will offer one more amendment this evening.

It is my further understanding that the yeas and nays may well be requested.

If there are other amendments following that—and I would hope that there would be—though I doubt it very much—the Senate would remain in session to consider them in the interest of expediting the measure now before it.

There is already an order for the Senate to meet at 10 o'clock tomorrow morning.

## ECONOMIC OPPORTUNITY ACT OF 1964—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, at this time, after conferring with the distinguished minority leader and other interested individuals, I ask unanimous consent that on the question of agreeing to the House amendment, without amendment, to Senate 2642, the so-called antipoverty bill, debate beginning at 10:15 o'clock tomorrow morning be limited to 1 hour, to be equally divided between the proponents and the opponents, with the time to be controlled by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

## UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective on Tuesday, August 11, 1964, beginning at 10:15 a.m., the

Senate proceed to the consideration of the House amendment, without amendment, to S. 2642, the so-called antipoverty bill, with all debate thereon limited to one hour, to be equally divided between the proponents and opponents and controlled by the majority and minority leaders, respectively.

## AUTHORIZATIONS FOR COMMITTEES OF THE SENATE TO MEET UNTIL 12 O'CLOCK MERIDIAN TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees of the Senate may be permitted to meet up until 12 o'clock meridian tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

## ORDER OF BUSINESS—MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, when the Senate meets tomorrow it will discuss the House amendment to the antipoverty bill (S. 2642) which is really the Economic Opportunity Act of 1964. It will then return to the foreign aid bill. I would hope that the Senate will show as much expedition tomorrow as it has shown today.

Mr. TOWER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. TOWER. It was my understanding that the Committee on Labor and Public Welfare was meeting tomorrow only to consider nominations, but I have since been informed that it will also consider proposed legislation as well.

Since the members of that committee will be in the Chamber debating the House amendment to the antipoverty bill, it seems inappropriate that the Committee on Labor and Public Welfare should meet later than 10:15 a.m., tomorrow.

Accordingly, inasmuch as unanimous consent has already been propounded and agreed upon, would the Senator from Montana agree to change his request in regard to that committee?

Mr. MANSFIELD. The nurses training bill is due to be reported tomorrow, which is a matter of prime importance. It is a bill to which I know of no opposition. In view of the generosity of the Senator from Texas, I agree to rescind my previous request in regard to the Committee on Labor and Public Welfare.

Mr. TOWER. The only point I should like to make to the majority leader is that, of course, the antipoverty bill is also of prime concern to the Committee on Labor and Public Welfare, and members of that committee would be in the Chamber; therefore, I believe it should not meet at the time specified by the Senator from Montana.

Mr. MANSFIELD. Would it be agreeable to ask permission for the Committee on Labor and Public Welfare—if it so desires—to meet from 11:15 a.m. tomorrow until 12:30 p.m.?

Mr. TOWER. I would not object to that request.

Mr. MANSFIELD. Mr. President, I therefore make the request that the Committee on Labor and Public Welfare be permitted to meet from 11:15 a.m. tomorrow until 12:30 p.m.

Mr. TOWER. Could that request not be made so as to take effect after the vote on the antipoverty bill?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be permitted to meet from 11:30 a.m. to 12:30 p.m.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

## COMMITTEE MEETING DURING REMAINDER OF 2D SESSION OF 88TH CONGRESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized to meet during the sessions of the Senate for the remainder of the 2d session of the 88th Congress.

Mr. TOWER. Mr. President, reserving the right to object, I should like to inquire of the Senator from Montana whether this authorization applies only to the Appropriations Committee?

Mr. MANSFIELD. This is only for the Appropriations Committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

## AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MORSE. Mr. President, I call up my amendment No. 1188, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Oregon will be stated.

Mr. MORSE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment (No. 1188) submitted by Mr. MORSE is as follows:

On page 4, line 5, after "Sec. 104." insert "(a)".

On page 4, between lines 13 and 14 insert the following:

"(b) Title VI of chapter 2 of part I is amended by adding at the end thereof the following new section:

"SEC. 254. RESTRICTIONS ON ASSISTANCE.—(a) None of the funds made available under authority of this Act may be used to furnish assistance to any country covered by this title in which the government has come to power through the forcible overthrow of a prior government which has been chosen in free and democratic elections.

"(b) The provisions of this section shall not require the withholding of assistance to



any country if, following a determination by the President that the withholding of such assistance would be contrary to the national interest, the two Houses of Congress adopt a concurrent resolution approving the continuance of such assistance."

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I should like to inquire of the Senator from Oregon whether he proposes to offer any more amendments tonight after the yeas and nays votes on the one the Senator now has pending?

Mr. MORSE. I do not plan to offer any more amendments tonight.

I shall offer more if Senators wish to stay and vote.

Mr. DIRKSEN. Mr. President, if it offers no offense to Senators, I wonder if we can obtain some indication of how many amendments still remain to be offered on both sides of the aisle.

Mr. MANSFIELD. Mr. President, if the Senator from Oregon will yield for me to make a point on that, I have a rough figure. As I check around, it appears that there will be approximately 20 amendments to be offered—including the one now pending—on the part of all Senators.

I should say that the Senator is making very good progress today, and I am highly pleased.

Mr. MORSE. Mr. President, while so many Senators are present, I ask unanimous consent—and I am sure it will be drafted for insertion before the Senate takes a recess tonight—to have printed in the RECORD a blanket amendment that would cut the authorization to not more than \$3 billion. That calls for a good many technical changes in the bill. I have legislative counsel working this afternoon on this amendment.

I ask unanimous consent that I may send that amendment to the desk, that it be printed so as to be available to Senators tomorrow, and that it lie on the desk.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the desk as requested.

Mr. MORSE. Mr. President, I shall read from the pending amendment and comment on it as I proceed. The amendment provides:

On page 4, line 5, after "Sec. 104." insert "(a)".

On page 4, between lines 13 and 14 insert the following:

"(b) Title VI of chapter 2 of part I is amended by adding at the end thereof the following new section:

"SEC. 254. RESTRICTIONS ON ASSISTANCE.—

(a) None of the funds made available under authority of this Act may be used to furnish assistance to any country covered by this title in which the government has come to power through the forcible overthrow of a prior government which has been chosen in free and democratic elections.

"(b) The provisions of this section shall not require the withholding of assistance to any country if, following a determination by the President that the withholding of such assistance would be contrary to the national interest, the two Houses of Congress adopt a concurrent resolution approving the continuance of such assistance."

I tried to place every possible safeguard in the amendment to protect our national security. This is a position that the senior Senator from Oregon, as chairman of the Subcommittee on Latin American Affairs, has taken for the past several years—not alone, either. Although we have a little difficulty getting the votes on the floor of the Senate for assistance, I will say that on the basis of my conferences in the past several years with my associates on the Committee on Foreign Relations, a considerable number of them say, "You are right." And I think I am right.

Taking a hypothetical country. The amendment provides that if a country has a government that has been democratically elected—or, as we speak of it, a constitutional form of government—and that government is overthrown by force, be it a Communist force, a military force, or a military junta—we stop the aid.

The amendment does not read "until it restores the government it overthrew." It does not require this, although one would hope that the facts in a given situation would justify that. It does provide that we will not give them aid if they overthrow a democratic form of government. It means that they must return to constitutionalism. We ought to square our practices with our representations about trying to support freedom around the world. We ought to stop encouraging outlaws and military juntas around the world from destroying constitutional government, believing that if they do it, they have nothing to lose. They believe that after a little while the United States will come along, pour millions of dollars into their country, and help them entrench themselves in a position of domination over their people and thus keep down freedom.

I am perfectly willing to talk about specific cases. If my amendment had been the law of the land at the time of the junta in the Dominican Republic, under the Bosch regime, we would not only have stopped aid—and we stopped it for awhile—but we would have stopped it until constitutionalism was returned to the Dominican Republic.

My amendment would not require the reinstatement of Mr. Bosch. After the junta, he left the country. It is true that he was taken out of the country. He went to Puerto Rico. But, Mr. President, the country had a constitution. The constitution called for succession. The constitution called for the exercise of rights and prerogative on the part of the parliament. The constitution called for self-government on the part of the people. That was what was destroyed. The junta not only overthrew a president by force, but destroyed constitutionalism in the Dominican Republic. Do not be fooled by the facade they set up. They set up a so-called civilian council or commission under the complete domination and control of the military.

I hold no brief for Bosch. I am not qualified to pass judgment on whether he was a good President or a bad President. That is an internal governmental problem for the people of the Dominican Republic who live under an alleged sys-

tem of self-government. I do hold a brief for our supporting the application of the constitutional system, and opposing the overthrow of a constitutional system.

Their constitutional system was like ours. It provides for various checks, various rights in the people to determine what their own form of government should be. That was destroyed. People became victimized by a junta.

The facade that was set up, the so-called civilian council not having U.S. recognition, continued to cause embarrassment. It produced an interesting set of facts prior to final recognition by the United States of the military junta.

We were told in the Cabinet Room by the then Acting Secretary of State, Mr. Ball—and there are men that are within the sound of my voice who heard it—that the State Department had decided that we ought to recognize the tyrannical military junta of the Dominican Republic, because that junta was about to stage a second coup and was going to stage the second coup out of resentment over the fact that the civilian council had not been able to deliver U.S. recognition, and that the second coup would be bloodier than the first.

I was shocked. In my judgment, we should have continued to refuse to recognize the military junta of the Dominican Republic until it established constitutionalism in the Dominican Republic. By recognizing it we have given encouragement to outlaw forces in Latin America that will not forget that precedent.

At the time I received some criticism when I made the statement to the effect that recognition of the Dominican Republic means that when the chips are down the United States cannot be counted upon to support freedom in Latin America. So we cannot. Our record shows time and time again that we cannot be counted upon.

Mr. President, in my judgment the record of the United States in Latin America on this point is deplorable, and to our shame. We ought to take the position, and stand by it, that if a military junta overthrows a freely elected constitutional government, we will not support that military junta.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I am delighted.

Mr. LAUSCHE. If the amendment of the Senator from Oregon were adopted, would it deny us the right to give aid to Brazil, which threw out Goulart because of the suspicion and the supporting evidence, that he was tolerating the suggestion and was likely to convert the Brazilian Government into a Communist form of government?

Mr. MORSE. The answer is "No"; and I shall cover Brazil before I finish my remarks.

Mr. LAUSCHE. However, the amendment would cover the Dominican Republic, where Bosch was eliminated?

Mr. MORSE. If the Senator will permit me to finish my statement, I shall cover both the Dominican Republic and Honduras.

Mr. LAUSCHE. And Ecuador?







Aug. 11, 1964

15. MILITARY CONSTRUCTION APPROPRIATION BILL, 1965. House conferees were appointed on this bill, H. R. 11363. Senate conferees have already been appointed. p. 18273
16. TAXATION. House and Senate conferees were appointed on H. R. 4649, to amend the Internal Revenue Code to authorize use of certain volatile fruit-flavor concentrates in the cellar treatment of wine. p. 18273
17. COFFEE IMPORTS. House and Senate conferees were appointed on H. R. 8864, to carry out U. S. obligations under the International Coffee Agreement. p. 18273
18. BROOM IMPORTS. Passed as reported H. R. 5986, to increase the tariff on broom imports. pp. 18274-5
19. RECREATION. Passed with amendment S. 16, to provide for establishment of the Ozark National Scenic Riverways, Mo., in lieu of H. R. 1803. pp. 18351-9
20. FARM LABOR. Rep. Rosenthal criticized the Mexican farm labor program and spoke against current efforts to continue the program. pp. 18360-2
21. FOOD ADDITIVES. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 12033, to further amend the transitional provisions of the act of 1958 prohibiting the use of food additives which have not been adequately tested to establish their safety. p. D674

## SENATE

22. POVERTY. Concurred in the House amendment to S. 2642, the poverty bill. This bill will now be sent to the President. pp. 18409-24
23. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill (pp. 18426-44, 18452, 18454-62, 18464-5). Agreed, 50 to 35, to an amendment by Sen. Morse to limit to \$3,250,000,000 (Senate committee figure was \$3,466,700,000) the authorization of funds for furnishing assistance and for administrative expenses after rejecting, 37 to 52, a similar amendment by Sen. Morse with a \$3 billion limitation (pp. 18441-4, 18452, 18454-5).
24. HOUSING LOANS. Sen. McGovern praised Farmers' Home Administration for "making a major contribution to the struggle against liquidation of farm homes and farm operations" and inserted a summary of its activities in S. Dak. pp. 18466-8
25. RECREATION. Sen. Hart urged the allocation to heavily populated States of funds in the land and water conservation fund bill. pp. 18408-9
26. LANDS; RECREATION. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration H. R. 8135, to provide for the establishment and administration of public recreational facilities at the Sanford Reservoir area, Canadian River project, Tex. p. D670
27. THE COMMERCE COMMITTEE ordered favorably reported (but did not actually report) S. 2315, to authorize the Weather Bureau to make reimbursement between appropriations made available to the Weather Bureau; H. R. 1341, requiring Government passenger-carrying motor vehicles to meet certain passenger safety standards; and H. R. 9334, to permit the use of additional standard containers for fruits and vegetables. p. D670



ITEMS IN APPENDIX

28. CONSUMERS. Extension of remarks of Rep. Sullivan urging legislation to amend the Federal Food, Drug, and Cosmetic Act for greater consumer protection, and inserting an article, "GOP Platform Attacks FDA." pp. A4229-30
29. FOREIGN AID. Rep. Gross inserted the testimony of Dr. Lewis E. Lloyd, on behalf of the Citizens Foreign Aid Committee, before the Senate Appropriations Committee, critical of the foreign aid program. pp. A4230-3
30. RECREATION. Extension of remarks of Rep. Jensen commending the development of income-producing recreation enterprises on farms and other rural lands and inserting several articles from the August issue of the Rural Areas Development Newsletter describing some of these projects. pp. A4237-8
31. PEANUTS; RESEARCH. Extension of remarks of Rep. Forrester inserting a letter written by Secretary Freeman endorsing the establishment of a National Peanut Marketing Research Laboratory. pp. A4241
32. POVERTY. Extension of remarks of Reps. Pepper and Dulski commending the poverty program. pp. A4243, A4251  
Rep. Whitener inserted an editorial, "Purpose of the Antipoverty Bill," which "sets forth the aims of the legislation." p. A4248
33. OPINION POLL. Rep. Corbett inserted the results of an opinion poll including subjects of interest to this Department. p. A4260

BILLS INTRODUCED

34. DISASTER RELIEF. S. 3112, by Sen. McCarthy, to provide additional drought disaster relief to farmers and stockmen in connection with the transportation of hay; to Agriculture and Forestry Committee. Remarks of author, pp. 18395-6  
H. R. 12311, by Rep. Long, Md., to indemnify farmers for certain hay losses; to Agriculture Committee
35. WATER RESOURCES. S. 3104, by Sen. Kuchel, to authorize investigations and reports on the water resources and requirements of the Colorado River Basin, and to protect existing economies in the course of development of such resources; to Interior and Insular Affairs Committee  
H. R. 12320 through H. R. 12335, and H. R. 12338, by seventeen representatives, to authorize investigations and reports on the water resources and requirements of the Colorado River Basin, and to protect existing economies in the course of development of such resources; to Interior and Insular Affairs Committee. Remarks of Rep. Roosevelt, pp. 18364-5
36. CENSUS. H. R. 12309, by Rep. Friedel, to provide for a mid-decade census of population in 1965 for the purpose of reapportioning the House of Representatives in compliance with recent Supreme Court decisions; to Judiciary Committee.
37. FARM LABOR. H. R. 12312, by Rep. Martin, Calif., to provide for, phase out, and to extend the use of Mexican agricultural workers under title V of the Agricultural Act of 1949, as amended; to Agriculture Committee.



Let me make it clear that I support the Fund proposal, but I do not believe the formula in H.R. 3846 as reported by the House Interior Committee and as projected in the enclosed tables is equitable to Michigan or to the other heavily-populated States.

May I urge your committee to consider modifying the formula so that the funds for the States will run more nearly parallel to the needs.

Sincerely,

PHILIP A. HART,

EXCERPTS FROM JUNE 9, 1964, LETTER ON LAND AND WATER CONSERVATION FUND BILL TO SENATOR HART FROM RALPH A. MACMULLAN, DIRECTOR OF THE MICHIGAN DEPARTMENT OF CONSERVATION

The bill, as reported by the House Interior Committee, would clearly discriminate against Michigan and other more populous States in the Northeast and Midwest. Conversely, many of the western States, which already have large land areas in public ownership, would stand to benefit by the change in the formula for distributing funds to the States.

This change in the fund apportionment formula would be particularly objectionable in view of the urgent need for outdoor recreational areas near the large metropolitan centers in the East. The U.S. Forest Service has indicated that approximately 84 percent of the National Forest lands to be acquired from funds made available from this program would be in the eastern part of the country. Presumably, the over-all State needs with respect to land acquisition and development would correlate closely with the Forest Service priorities.

The matter takes an added significance when you consider that this change in the fund distribution formula could conceivably result in an undesirable change in the emphasis given to recreational development over the entire country.

We further hope that you and your colleagues are successful in correcting this inequity when the bill is considered by the Senate.

*Preliminary estimate of apportionment of 4% of the total States share from the land and water conservation fund among the individual States<sup>1</sup> for a representative year<sup>2</sup>*

| State               | % of total apportionment under—   |                                    |
|---------------------|-----------------------------------|------------------------------------|
|                     | S. 859 as introduced <sup>3</sup> | H.R. 3846 as reported <sup>4</sup> |
| Alabama.....        | \$1,875,300                       | \$1,966,250                        |
| Alaska.....         | 597,800                           | 1,129,000                          |
| Arizona.....        | 1,054,000                         | 1,890,250                          |
| Arkansas.....       | 1,252,300                         | 1,745,500                          |
| California.....     | 7,082,200                         | 4,143,500                          |
| Colorado.....       | 1,237,100                         | 1,939,000                          |
| Connecticut.....    | 1,570,800                         | 1,398,500                          |
| Delaware.....       | 997,000                           | 1,082,750                          |
| Florida.....        | 2,582,300                         | 2,198,000                          |
| Georgia.....        | 2,156,500                         | 2,125,750                          |
| Hawaii.....         | 772,800                           | 1,151,000                          |
| Idaho.....          | 788,000                           | 1,421,000                          |
| Illinois.....       | 4,718,500                         | 2,968,000                          |
| Indiana.....        | 2,461,000                         | 2,013,500                          |
| Iowa.....           | 1,661,800                         | 1,960,500                          |
| Kansas.....         | 1,419,100                         | 2,150,500                          |
| Kentucky.....       | 1,776,100                         | 1,818,500                          |
| Louisiana.....      | 1,867,100                         | 1,902,000                          |
| Maine.....          | 909,300                           | 1,453,500                          |
| Maryland.....       | 1,806,500                         | 1,529,500                          |
| Massachusetts.....  | 2,666,300                         | 1,789,000                          |
| Michigan.....       | 3,775,800                         | 2,610,000                          |
| Minnesota.....      | 1,936,000                         | 2,244,500                          |
| Mississippi.....    | 1,419,100                         | 1,767,250                          |
| Missouri.....       | 2,308,100                         | 2,289,000                          |
| Montana.....        | 788,000                           | 2,161,000                          |
| Nebraska.....       | 1,099,500                         | 1,983,250                          |
| Nevada.....         | 628,100                           | 1,275,250                          |
| New Hampshire.....  | 757,600                           | 1,165,000                          |
| New Jersey.....     | 3,045,500                         | 1,913,000                          |
| New Mexico.....     | 902,300                           | 2,006,750                          |
| New York.....       | 7,524,300                         | 3,805,500                          |
| North Carolina..... | 2,415,500                         | 2,111,000                          |
| North Dakota.....   | 772,800                           | 1,777,750                          |
| Ohio.....           | 4,658,600                         | 2,759,250                          |

*Preliminary estimate of apportionment of 4% of the total States share from the land and water conservation fund among the individual States<sup>1</sup> for a representative year<sup>2</sup>—Continued*

| State                     | % of total apportionment under—   |                                    |
|---------------------------|-----------------------------------|------------------------------------|
|                           | S. 859 as introduced <sup>3</sup> | H.R. 3846 as reported <sup>4</sup> |
| Oklahoma.....             | \$1,479,800                       | \$2,025,500                        |
| Oregon.....               | 1,244,100                         | 1,736,500                          |
| Pennsylvania.....         | 5,235,300                         | 3,017,500                          |
| Rhode Island.....         | 863,800                           | 1,128,000                          |
| South Carolina.....       | 1,503,100                         | 1,629,000                          |
| South Dakota.....         | 788,000                           | 1,845,000                          |
| Tennessee.....            | 1,996,600                         | 1,901,750                          |
| Texas.....                | 4,513,100                         | 5,016,000                          |
| Utah.....                 | 878,800                           | 1,439,750                          |
| Vermont.....              | 666,600                           | 1,145,250                          |
| Virginia.....             | 2,163,500                         | 1,930,000                          |
| Washington.....           | 1,700,300                         | 1,900,000                          |
| West Virginia.....        | 1,282,600                         | 1,490,500                          |
| Wisconsin.....            | 2,163,500                         | 2,083,750                          |
| Wyoming.....              | 643,300                           | 1,582,250                          |
| American Samoa.....       | 8,200                             | 3,250                              |
| District of Columbia..... | 319,700                           | 105,750                            |
| Guam.....                 | 981,200                           | 12,250                             |
| Puerto Rico.....          | 15,200                            | 357,750                            |
| Virgin Islands.....       | 30,300                            | 6,250                              |
| Total.....                | 101,360,000                       | 100,000,000                        |

<sup>1</sup> Includes American Samoa, District of Columbia, Guam, Puerto Rico, and Virgin Islands.

<sup>2</sup> For purposes of illustration, a representative year is considered to be one in which the sources of revenue, including advance appropriations, in accordance with provisions of the legislation total \$210,000,000, which would occur about the 5th full year after enactment.

<sup>3</sup> Estimated amount in the fund under provisions of S. 859 as introduced is \$181,000,000. This is derived as follows: Estimated revenue, less estimated credit to miscellaneous receipts in the Treasury to help offset land acquisition for recreation and fish and wildlife enhancement at Federal water resources projects, plus advance appropriations. The States share of \$181,000,000 is estimated to be 70 percent, or \$126,700,000. Apportionment of the States share, pursuant to provisions of S. 859, as introduced, is 1/2 equally among the States, 1/3 on basis of population, and 1/6 on basis of need. Apportionment as shown in this column includes only 1/2 of total estimated available for States purposes. The 1/2 for distribution at the discretion of the Secretary based on need is not included.

<sup>4</sup> Distribution in this column based on provisions of H.R. 3846 as reported, as follows: 1/2 divided equally among the 50 States and 1/2 distributed among the 55 "States" based on need. Need among other things is based on (a) the proportion which the population of each State bears to the total population of the United States, (b) a consideration of the Federal resources and programs in the particular States, and (c) the use of outdoor recreation resources of individual States by persons from outside the State. Needs based on the latter consideration and other factors cannot be determined until statewide plans and other information are obtained from individual States. To take care of these latter needs, 1/2 of the total amount which would be available for State purposes is not shown in this column. It is assumed for purposes of this column that the States share of the moneys appropriated from the fund will be 60 percent, or \$125,000,000.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed. The Chair lays before the Senate the unfinished business.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. INOUE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The hour of 10:15 a.m. having arrived, the Senate, under its order of yesterday, will now proceed to the consideration of the House amendment to S. 2642, the so-called antipoverty bill, under a limitation of 1 hour's debate on the question of agreeing to such amendment, the time to be equally divided and controlled by the majority and minority leaders.

#### ECONOMIC OPPORTUNITY ACT OF 1964

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Economic Opportunity Act of 1964".

##### Findings and declaration of purpose

SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

#### TITLE I—YOUTH PROGRAMS

##### PART A—JOB CORPS

##### Statement of purpose

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

##### Establishment of Job Corps

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

##### Job Corps program

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by



such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That where practical, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

#### *Composition of the Corps*

SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.).

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

(d) Each enrollee must execute and file with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods, and (2) each enrollee must take and subscribe to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic." The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits.

#### *Allowance and maintenance*

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided*, however, That under such circumstances as

the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

#### *Application of provisions of Federal law*

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c) (1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee—

(i) while on authorized leave or pass; or  
(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.) and section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1)) shall apply to enrollees.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

#### *Political Discrimination and political activity*

SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as

constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates. Any officer, employee, enrollee or Federal employee who solicits funds for political purposes from members of the Corps, shall be in violation of the Corrupt Practices Act.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

#### *State-operated youth camps*

SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

#### *Requirement for State approval of conservation camps and training centers*

SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

SEC. 110. Within the Job Corps there is authorized a Youth Conservation Corps in which at any one time no less than 40 per centum of the enrollees under this part shall be assigned to camps where their work activity is directed primarily toward conserving, developing, and managing the public natural resources of the Nation, and developing, managing, and protecting public recreational areas. Such work activity shall be performed under the direction of members of agencies charged with the responsibility of conserving, developing, and managing the public natural resources and of developing, managing, and protecting public recreational areas.

#### **PART B—WORK-TRAINING PROGRAMS**

##### *Statement of purpose*

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations (other than political parties) will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.



### *Development of programs*

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations (other than political parties) in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

### *Financial assistance*

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

### *Enrollees in program*

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave,

unemployment compensation, and Federal employee benefits.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

### *Limitations on Federal assistance*

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

### *Equitable distribution of assistance*

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

### *PART C—WORK-STUDY PROGRAMS*

#### *Statement of purpose*

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

#### *Allotments to States*

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103 (d) (3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such

one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallocated by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallocated under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

### *Grants for work-study programs*

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401 (f) of the Higher Education Facilities Act of 1963 (Public Law 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

### *Conditions of agreements*

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or

(2) for a public or private nonprofit organization when the position is obtained through an arrangement between the institution and such an organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriated and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee;

*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an un-



dergraduate, graduate, or professional student;

(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

#### *Sources of matching funds*

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

#### *Equitable distribution of assistance*

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

#### *Part D—Authorization of appropriations*

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

### **TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS**

#### **PART A—GENERAL COMMUNITY ACTION PROGRAMS**

##### *Statement of purpose*

SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

##### *Community action programs*

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment op-

portunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (other than a political party), or a combination thereof.

(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

##### *Allotments to States*

SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallocation from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

##### *Financial assistance for development of community action programs*

SEC. 204. The Director is authorized to make grants to, or to contract with, appro-

priate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

##### *Financial assistance for conduct and administration of community action programs*

SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

##### *Technical assistance*

SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

##### *Research, training, and demonstrations*

SEC. 207. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of, research, training, and demonstrations pertaining to the purposes of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.



#### *Limitations on Federal assistance*

SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

#### *Participation of State agencies*

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

(c) In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however,* That this section shall not apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of the approval of this Act.

(d) No private institution or organization shall be eligible for participation under this part unless it (1) is itself an institution or organization which has, prior to its consideration for such participation, had a concern with problems of poverty, or (2) is sponsored by one or more such institutions or organizations or by a public agency, or (3) is an institution of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963).

#### *Equitable distribution of assistance*

SEC. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; (6) persons rejected for military service; and (7) persons living in urban places compared to the number living in rural places as determined by the Bureau of the Census for the 1960 census.

#### *Preference for components of approved programs*

SEC. 211. In determining whether to extend assistance under this Act, the Director

shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

#### *PART B—ADULT BASIC EDUCATION PROGRAMS*

##### *Declaration of purpose*

SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

##### *Grants to States*

SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

##### *State plans*

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of sub-

stantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

##### *Allotments*

SEC. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

##### *Payments*

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that



no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

*Operation of State plans; hearings and judicial review*

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

*Miscellaneous*

Sec. 218. For purposes of this part—

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency

or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(2) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

**PART C—VOLUNTARY ASSISTANCE PROGRAM FOR NEEDY CHILDREN**

*Statement of purpose*

SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

*Authority to establish information center*

SEC. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

*Part D—Authorization of appropriations*

SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

**TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS**

*Statement of purpose*

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

**PART A—AUTHORITY TO MAKE GRANTS AND LOANS**

SEC. 302. (a) The Director is authorized to make—

(1) loans having a maximum maturity of 15 years and in amounts not exceeding \$2,500 in the aggregate to any low income rural family, where in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of

farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

(C) participate in cooperative associations; and/or to finance nonagricultural enterprises which will enable such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

*Cooperative associations*

SEC. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

*Limitations on assistance*

SEC. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

*Loan terms and conditions*

SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

(e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and

(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

**PART B—ASSISTANCE FOR MIGRANT, AND OTHER SEASONALLY EMPLOYED, AGRICULTURAL EMPLOYEES AND THEIR FAMILIES**

SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant, and other seasonally employed, agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

**PART C—AUTHORIZATION OF APPROPRIATIONS**

SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June



30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

**PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS**

SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1965.

**TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES**

*Statement of purpose*

SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

*Loans, participations, and guaranties*

SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however*, That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

*Coordination with community action programs*

SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

*Financing under Small Business Act*

SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

*Loan terms and conditions*

SEC. 405. Loans made pursuant to section 402 (including immediate participations in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations—

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

*Limitation on financial assistance*

SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

*Duration of program*

SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

**TITLE V—WORK EXPERIENCE PROGRAMS**

*Statement of purpose*

SEC. 501. It is the purpose of his title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

*Payments for experimental, pilot, and demonstration projects*

SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a)(1) to (6), inclusive, of such Act (42 U.S.C. 609(a)(1)–(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

*Authorization of appropriations*

SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

**TITLE VI—ADMINISTRATION AND COORDINATION**

**PART A—ADMINISTRATION**

*Office of Economic Opportunity*

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 1332–3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

*Authority of Director*

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed; *Provided, however*, That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act;



and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the juris-

dition of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

#### *Volunteers in service to America*

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

#### *Economic Opportunity Council*

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of

the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### *National Advisory Council*

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### *Revolving fund*

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances..

(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

#### *Labor standards*

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133-133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### *Reports*

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### *Definitions*

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District



of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

- (1) the spouse or child of an enrollee, and
- (2) any other relative who draws substantial support from the enrollee.

#### PART B—COORDINATION OF ANTIPOVERTY PROGRAMS COORDINATION

SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

#### Preference to community action programs

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### Information center

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### Prohibition of Federal control

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### Authorization of appropriations

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

SEC. 616. No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments to any individual unless such individual has executed and filed with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods.

#### TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

##### Public assistance

SEC. 701. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

Mr. McNAMARA. Mr. President, I move that the Senate concur in the amendment of the House to S. 2642.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Michigan.

Mr. TOWER. Mr. President, I yield 1 minute to the Senator from New York.

Mr. KEATING. Mr. President, before the Senate finally accepts this bill, I wish to express my appreciation to the members of the conference committee of both

Houses who endorsed my proposal for a voluntary assistance program for needy children. I am confident that the Office of Economic Opportunity will set up this program as soon as possible so that the more than a thousand generous people who have written to me expressing their desire to sponsor a child will have to wait no longer.

Just last week, Mr. President, a young seaman from Alabama, who is stationed at the Naval Communications Center here in Washington, came into my office with an offer to "adopt" three or four youngsters. His unit, he explained, already has foster children abroad, but they were most anxious to help some of our own needy children right here at home. The minute the President signs this bill, I shall be in touch with these sailors, and all other volunteers, advising them how they can put their generosity and good will to work for the benefit of America's children.

Mr. TOWER. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The ACTING PRESIDENT pro tempore. The time allotted is 1 hour. The Senator having received consent, the time will not be charged to either side, but at 11:15 the vote will commence under the unanimous-consent request.

Mr. MANSFIELD. Mr. President, I yield 2 minutes of the time allotted to the majority leader for the purpose of suggesting the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. The 2-minute time limit having expired, without objection, the order for the quorum call is rescinded.

Mr. TOWER. Mr. President, I regret that there is not available a printed version of the House bill. The House made some important changes in the measure before sending it to the Senate. It seems pretty typical of the way that we legislate these days that we do not have before us printed copies of proposed legislation. We are legislating in an atmosphere of haste—at times it would seem almost in an atmosphere of panic. I regret that the changes that were made by the House are not available. I should like to invite the attention of Senators to them.

Representative LANDRUM, of Georgia, in the House offered an amendment to the bill which would broaden the veto authority of Governors over programs instituted in the various States. The amendment was adopted. Representative WILLIAMS of Mississippi was successful in having the bill amended to include a loyalty oath similar to the oath formerly required under the National Defense Education Act. Third, the requirement that high school graduates be generally kept out of the Job Corps was eliminated by the House.

Furthermore, an amendment was adopted to limit the recipients of title II aid to existing organizations. That action was taken to prevent drumhead



organizations from being organized merely to take part in the program.

I feel that those changes improved the bill considerably. But I believe the bill could best be improved by striking out everything after the enacting clause. Obviously it is an election-year bill, one that I believe is politically oriented. I do not believe that the provisions of the bill will go very far, when implemented, successfully and effectively to attack the poverty that exists in the United States.

In effect, we have reviewed some New Deal type of programs on which it is proposed to spend somewhat in excess of \$900 million. It should be brought to the attention of the Congress that we are already spending \$66.5 billion annually in an effort to mitigate poverty—\$66.5 billion is spent by Federal, State, local, private, and volunteer agencies. I believe everyone is conscious of the responsibility of the Congress to do whatever is within its power, and whatever it can effectively do in a legislative way to combat poverty in the United States. But I suggest that the proposed legislation would not accomplish that end. Indeed, I believe that the passage of the bill might very well tend to perpetuate poverty in some areas. For example, it is designed to keep marginal farms alive and to keep people "down on the farm" at a time when farming has become increasingly unprofitable for the small marginal or subsistence farmer.

Furthermore, I believe that by proffering tentative and temporary Federal aid in many situations, people are discouraged from attacking the real causes of poverty. I believe that any doctor would testify that the proper way to treat a malady is not merely to treat the symptoms, but to get at the cause of the symptoms and to treat the cause of the disease. We are dealing with the symptoms of poverty. The real reason why poverty exists is that there is a high level of unemployment. The way to mitigate that factor is not through Federal programs, such as a job corps or aid to marginal farmers; the way to do it is to create the sort of economic climate in which we would provide expanded production, which would mean an expansion in jobs available. Indeed, a number of jobs in this period of high unemployment are going begging. The reason that those jobs are going begging is that there are not enough people adequately trained to fill the positions. We are now in a period of increased application of science and technology to production, distribution, communication, and exchange; we are in a period of what is known as automation. That is simply a historical extension or perpetuation of the economic and industrial revolution. We need highly skilled workers, who are properly trained.

A number of jobs which require highly skilled and trained people are going begging. I do not believe that the bill addresses itself to that problem. It purports to establish some sort of vocational training, but it lays no guidelines whatever, and we have no assurance that the training would effectively prepare young people for the jobs that must be done in

industry in this complex age of automation.

If we could create in the United States a climate favorable to business, if we could mitigate Government competition with business, if we could eliminate confiscatory taxes, and if we could relieve business from oppressive regulations, we might restore the confidence of the business community in Government to the extent that there would be increased investment, resulting in an expansion of production facilities, and therefore an expansion of jobs and a subsequent expansion in consumption, which in turn would generate more production and more jobs. The real way to get at the poverty problem is to provide more jobs. That can be done only in a political atmosphere that is conducive to the expansion of the operation of the business community.

Mr. President, I regret that we are flogging the bill through the Congress in an election year merely to make a political issue.

Mr. President, I yield 5 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I thank the distinguished Senator from Texas. Notwithstanding his opposition to the bill, I wish to state that within the principles and limits of his opposition, no one could have been more cooperative in the mechanics of seeing that the bill got on its way than the Senator from Texas, though he thoroughly disagrees with it, as he has stated.

Mr. President, I believe that I bespeak the views of many Senators—I certainly bespeak very thoroughly my own—when I say that a nation as powerful and productive as our Nation certainly should mount a war on poverty. That hour has come. I agree with my colleague. Undoubtedly the timing is political, but often very important things are done in political seasons, and the people are served just the same. So, though we call attention to the timing as political, the fact is that the bill cannot be rejected on that ground. There is an effort in this concept of a war on poverty to sweep unemployment under the welfare rug, but the bill does not reflect it. The message did, but the bill does not. The bill is very definitely designed to deal with endemic hard-core poverty where national cooperation, some vocational financing, and beyond everything else, the morale factor of concentration of effort upon a given target at a given time, with the massing of means, would have an effect. For that reason I supported the bill. I believe it is for that reason that 10 other Republicans on this side of the aisle supported the bill. I believe it is noteworthy that without their support, the bill could not have become law. I hope that the bill will have at least that support on this side of the aisle in respect of the present motion.

An analysis of the bill will bear out what I have said. I do not believe any of us on this side are too happy about the Job Corps—the so-called CCC camps. But I think there is a great deal of feeling that the community action programs are important, that the VISTA item—of-

fering an unusual opportunity for service on the part of young people—is important, and that the youth employment opportunities aspects of the bill and the work training sections are very important. Therefore we must take the Job Corps along with it.

One very disquieting feature has been introduced in the House; namely, the so-called loyalty oath requirement. This issue has been argued time and time again, and the National Defense Education Act was amended in 1962 with respect to its requirement of a loyalty oath, because it is degrading to many people to challenge their loyalty by requiring a disclaimer of disloyalty. How much more degrading is it to the endemic poor, who have no chance to argue, who are given a piece of paper and asked to sign. Certainly, it demeans them, and demeans the United States. Of all the places where a loyalty oath should not apply, it is to those people. If loyalty oaths are to be applied, why not have farmers take loyalty oaths because they receive money from the various agricultural aid programs? Why not apply such a requirement to manufacturers who receive benefits from the Treasury? Why not apply them to airlines who receive airmail and other subsidies? So it begins to look ridiculous.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. AIKEN. I have not seen the amendment proposed by the House. Is the loyalty oath required of all beneficiaries of the poverty program, or merely instructors in the camps where the beneficiaries may be gathered?

Mr. JAVITS. I believe it is the intention of the Attorney General—and I shall discuss the legal question in a moment—to take the position that only enrollees in the various camps must sign a loyalty oath, and that all others affected by the bill need not; but we do not yet have in hand the text of the opinion of the Attorney General.

Mr. AIKEN. It applies to all enrollees, not merely instructors?

Mr. JAVITS. That is my understanding.

Mr. AIKEN. Will the Senator tell us why it is always the poor people who are suspected of subversion? Is it possible that it is to cover up the misdeeds of some segments of the more affluent society that the poor people are pointed at?

Mr. JAVITS. I agree with the Senator's thought, because the record shows that among the poor there is certainly no less loyalty than among those who are better off financially.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. JAVITS. May I have 2 minutes?

Mr. TOWER. I yield 2 additional minutes to the Senator from New York.

Mr. JAVITS. I should like to state my basic view on this matter with reference to what is expected to be the Attorney General's opinion as to the questions raised by the language of the House-passed bill. I point out that there is a considerable difference between the



loyalty oath section of the bill dealing with the Job Corps, section 104(d) which refers to enrollees as those who must file a disclaimer affidavit and take a loyalty oath, and that provision which is generally applicable to the entire bill, section 616 which provides that an affidavit is required of any individual to be eligible for payments under the bill, as distinguished from one who benefits from expenditures through projects which are financed under the bill.

It is expected that the Attorney General will hold that section 616 relates solely to those who enroll in the Job Corps. On that basis, and on the doctrine of de minimis, and considering the hazards and hurdles which the bill would have to jump if it were sent to conference, I will vote to support the bill and accept the House amendment. But if the loyalty oath requirement extended to every individual who had any interest, directly or indirectly, under the bill, by virtue of receiving assistance under any program to which the bill will contribute any financing, and the loyalty oath were to be required of the endemic poor, I would vote against it. It all depends on what the Attorney General's opinion states.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. TOWER. I yield 1 minute to the Senator from New York.

Mr. HUMPHREY. Mr. President, I will yield 1 minute on this side. The Senator from New York knows we are expecting momentarily a communication which will clarify the point the Senator from New York has raised. I deeply regret that it is not yet here. I shall confer and discuss the contents of the letter immediately upon its receipt.

I am confident that the interpretation will be that the application of the amendment is to the Job Corps. As the Senator knows, a number of these programs do not deal directly with the individual, but to county structures of government, to volunteer agencies, or universities, which in turn will serve some purpose for individuals.

Mr. JAVITS. I think the Attorney General could readily hold that the bill refers to enrollees in the Job Corps, as specifically named. He might also hold that individuals who receive a direct contribution from the appropriation under the bill, perhaps an administrator here or there are affected.

On the doctrine of de minimis, we shall not haggle over that point. The fundamental point is that in the community action programs, in the work study programs, in the youth programs, and other programs under the bill, under which money is moving through governmental or private agencies, or a combination of them, from the State level down, the particular individual who receives some benefit to which the Federal Government has indirectly contributed will not have to take the oath.

I see that the Senator now has the letter.

Mr. HUMPHREY. The letter was handed to the acting floor leader and the

chairman of the subcommittee. The letter will be included in the RECORD at the appropriate place.

Mr. SALTONSTALL. Mr. President, will the Senator from Texas yield me 2 or 3 minutes?

Mr. TOWER. I yield 3 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. I thank the Senator from Texas.

I rise because I hope the Senate will concur in the House amendment. Personally I am against the principle of the loyalty amendment, but I believe the amendment put in the bill by the House to give veto power to a Governor over a job camp in his State is fundamental. It is a principle which I supported when the bill originally passed the Senate, and I was very disappointed that we lost that effort by a very close vote—in fact, a tie vote. I hope the Senate will concur in the House amendment, and that ultimately the loyalty oath will be as strictly limited as possible, as the acting majority leader and the Senator from New York have already suggested it should be.

I wish at this point in my remarks to include in the RECORD an editorial from the Wall Street Journal dated Tuesday, August 11, 1964, entitled "The Trees and the Forest," which comments very favorably about the junior Senator from Vermont [Mr. PROUTY] as "one of the few who seem to care if the program actually does what it purports to do."

I congratulate the Senator from Vermont upon receiving this well-deserved compliment.

I ask unanimous consent to include the entire editorial in my remarks at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE TREES AND THE FOREST

In the recurring debates over extending Federal social welfare programs, it's often hard to see the trees for the forest. The central but diffuse issue about the proper role of Government all but obscures the smaller but practical issue about whether the proposed programs will work.

This is abundantly clear, for a striking example, in reading the Senate Labor Committee report on the poverty bill. The committee majority wants the bill as a Government commitment to stamp out poverty. The minority oppose it because it involves an alleged "superbureaucracy" and a "poverty czar." The splashy fireworks of this argument nearly drown out the sensible individual views of Senator PROUTY, of Vermont, one of the few who seems to care if the program actually does what it purports to do.

Proponents of the war on poverty are so anxious to do something for the poor, the Senator says, that they "completely overlook, or largely ignore, the fundamental question—Who are the poor?"

The bill's provisions, he points out, do little for such large groups as the aged poor and poor families headed by women. They do little in improving education for the impoverished, which may be the most crucial area of all. He also lists a long series of proposals to accomplish many of the bill's purposes through existing programs and without additional bureaucracy.

We don't necessarily endorse all of the Senator's proposals, or necessarily oppose all those in the poverty bill. But Senator PROUTY's comments make it plain, we think,

that the war on poverty was slapped together without much homework. There was little analysis of such questions as: What are the basic causes of poverty? Which of those causes are susceptible to Government action and how? What are the alternative methods of attacking these causes?

Consider the bill's work-study program, which would provide Federal grants to colleges to help needy students find part-time work. This may be a fine idea, but just how does it fit in a poverty war?

Poverty can result from lack of education, yet how many of the poor wanted to go to college but couldn't find money? In all probability, not a great many. How much will Federal money help students find jobs? Could money be supplied more efficiently through the tax advantages Senator PROUTY advocates? We find little evidence that such questions have been asked, much less answered.

Past programs have suffered from similar lack of analysis. As a result, we've had urban renewal which enriched real estate developers without helping slum residents. We've had job retraining programs which took little notice of what jobs are available.

The problem has been that once programs are started, the administering agencies are loath to admit their methods are in error. The Government, it has been truly said, never knows when to stop or change course. New approaches are difficult if not impossible; the first approach had better be the right one.

It would be easier to keep such practicalities in mind if we didn't have to debate what role the Government should assume. But that debate is important and will go on. In the midst of it, however, advocates of limited Government would do well to supply a lot more constructive criticism of the type Senator PROUTY offers.

On their part, proponents of increased Federal activity must stop writing off the criticism that their proposals won't work as merely part of what they consider a weary and abstract debate about the responsibilities Government should assume. They have the primary obligation, after all, to make sure their own proposals are not only well meant but workable.

To assume this responsibility, the supporters of the poverty war or any other Government welfare program need to recognize the joker in the idea of commitment—that Federal legislation involves not only commitment to a forest of principle, but also to the trees of particular methods.

Mr. SALTONSTALL. Before concluding my remarks I should like to reiterate my hope that the Senate will concur in the House amendment granting Governors of States an opportunity to decide what is going to be done within their own borders.

Mr. McNAMARA. Mr. President, I yield 2 minutes to the distinguished Senator from Texas.

Mr. YARBOROUGH. Mr. President, as a coauthor of the original Economic Opportunity Act of 1964, the antipoverty bill, and as a member of the special committee which held hearings and reported the bill, I am glad to see the bill as close to passage as it is today.

I regret the action of the House with respect to title III, the section relating to combating poverty within rural areas. It was a vital part of the bill. I believe the action of the House has weakened the bill. Even though it has been weakened by reducing the means by which people of lower income would have an op-



portunity to earn better income in rural areas, it is still a good bill, worthy of passage.

POVERTY: THE BASIC ISSUE

A fundamental issue of this age is raised by the proposal to marshal the power of the Federal Government behind a program to eradicate poverty. This issue lies really at the heart of any public welfare measure, not only the war on poverty.

The question is, why have legislation of this sort in the first place? Why not just let everything alone, so that individual initiative and rugged individualism can make everything OK?

This is the issue, and I believe it is important that we here on the floor of the Senate face this question squarely and forthrightly. I do not claim to have all of the answers, but I shall take this opportunity to set forth briefly some of my thoughts on the matter.

First, Mr. President, we must realize that ideas are to some extent a function of the existing reality. One important reason why no nation has ever before seriously advocated the eradication of poverty for all its citizens is that such a thing has never until this day been possible. So when we look for guidance from the philosophers and sages of bygone days, we do not find much notice taken of what we are about to do. Why should we expect them to have indulged in pipedreams? Today, however, two centuries after the beginning of the industrial revolution, the forces set in motion so long ago have made it possible for this Nation to produce goods and services in sufficient quantities so that, with one great final effort, all its citizens, for the first time in the history of any nation, shall be able to earn enough to meet minimum human needs. This is the reality which our fathers and all their fathers before them never knew.

Mr. President, I firmly believe that as legislators we must consider what is best for people at all levels of society, from the top to the bottom. Each individual possesses unique abilities. Some people are more gifted than others. These are easily observable facts and no one but a fool would dispute these findings. But we must not have tunnel vision; we must not see only the road to the top and neglect everything else along the way.

Individual abilities will always be differentiated. There will always be economic and social distinctions between people. The kind of world I foresee is one in which each person can work his way as high as his abilities will carry him in relation to the rest of the population. We do not want a world in which people are trapped at levels below those which their abilities could enable them to rise. Equally important, since we have always been a humane society, and since, as I mentioned earlier, we now possess the resources to work such a change, we can and therefore we must see that those in the lowest income brackets of our society earn enough so that they can meet minimum needs.

If the Government will only provide the initial boost, the rest can be done through individual initiative. For those

with even the lowest aptitudes, the Economic Opportunity Act will provide basic education and training, leading to the chance to hold down a job in our complex industrial society, and to earn a living wage. For those who possess the energies and abilities to go further, but who are held back by the social, psychological, and economic barriers which poverty creates, there is the chance to break through the barricades and begin the move upward.

Mr. President, escape from poverty has always required resources of one kind or another. In an earlier period of American life, in the age of the frontier, free land was the resource. A man could move west and start life completely anew—as a farmer, as a rancher, as a shopkeeper, as a peddler, or in any number of other ways. Thousands of pages have been written about the influence of the frontier upon American life and upon the shaping of the American character.

I shall not dwell upon this subject except to note that just as the Government provided access to free land, so the Government in other ways has always assured public access to the economic abundance of the Nation in whatever form it should happen to take at the time. When it became apparent that access to markets was necessary for the further development of the frontier economy, the Government provided a program of internal improvements. After the Civil War it became apparent that the industrial resources of the country could not be developed by individuals, but would have to be exploited by large-scale organizations. The Government therefore sanctioned the corporate device and helped to create a climate in which corporations could flourish.

With these examples as precedents the Government cannot at long last evade its responsibility to the economically lowest one-fifth of our population. The Federal Government must provide access to today's poverty-fighting resources: education and training. It is a simple fact that modern methods of industrial production are a world apart from the techniques of a generation ago. For all of recorded history, up until the most recent times, methods of production for everything from food to most manufactured items were so crude that practically all labor was unskilled. And the skills that men did have to learn were those that did not require much training. Highly skilled craftsmen were an elite minority. Today, however, a high degree of skill is becoming more and more a necessity. The unskilled worker is the unwanted worker. Whereas in the past a man could get a job as long as he was strong enough to do the work, today's sophisticated technology demands a high degree of skill from those who would participate. It is the new technology rather than any sudden decrease in moral fiber, that necessitates Government programs such as the war on poverty.

And so, Mr. President, I offer these observations as one Senator's reasons for believing in the wisdom of this kind of legislation. I do not contend that this

bill provides all the answers to the problem of poverty. I am not completely satisfied with the bill. I would prefer the restoration of the parts which were deleted from title III. I would like to have seen more attention paid to the problems of the aged. As with any major legislative proposal, the Economic Opportunity Act is a product of compromise. Moreover, it is only a beginning. But, Mr. President, this is the important point: it is a beginning. From the action which we take here today on the floor of this body will come a legion, small at first, but steadily growing in strength, which will go forth to do battle with and at last to defeat man's oldest enemy.

Mr. McNAMARA. Mr. President, I yield 3 minutes to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the Senate, in passing judgment on the Economic Opportunities Act of 1964, placed its approval on that measure by a yeas-and-nays vote of 61 to 34. Spirited discussion was held. There was, in a sense, a clash of philosophies. It was a wholesome and enlightening debate.

In the House of Representatives painstaking attention was given to the pending legislation. There were 3 days of floor consideration, which gave the proponents and the opponents of the legislation adequate opportunity to discuss it from varying viewpoints, and to evaluate amendments, and substantive provisions of the basic bill. Then the House of Representatives, by a rollcall vote of 226 to 184, passed its version of the Economic Opportunities Act.

The two versions differ by reason of certain amendments which have been adopted by the House, and which were not included in the Senate bill. There has been discussion in this Chamber today with respect to some of the reasons why certain Members of our body do not feel particularly pleased about what was done in the other body. There are other Members, as stated, who believe that in the other body improvements were written into the bill.

We now come to the apparent final decision in the Senate as to what we shall do on this vital measure. The very capable chairman of the Labor Subcommittee [Mr. McNAMARA] has moved that the Senate concur in the House amendments.

I direct attention to the continuing opposition which comes from some sources in this Chamber to the Job Corps program within the Economic Opportunities bill. This, in a sense, is the heart of the legislation. I believe that firmly. I am convinced that if there was any effort which was enunciated and carried forward by Franklin D. Roosevelt in his dramatic effort to alleviate poverty in the United States, at least in part, it was the program which we knew as the Civilian Conservation Corps. It gave to this Nation a reservoir of young men who, because of training in the CCC camps, later became responsible citizens in the America which emerged from the depression of the 1930's.



Under the Jobs Corps program, as set forth in the bill, in the first year approximately 40,000 young men and young women would be trained in the camps, and would have work habits instilled in them and would learn to labor cooperatively with others, standing side by side. We envision an extension of this program from 40,000 enrollees to 100,000 enrollees in the second year.

I spoke rather vigorously and feelingly on this subject when the antipoverty measure was originally before the Senate. Today I again express my firm feeling that the discipline which will come to the teenagers of our country by working in the Job Corps will be of such a nature as to strengthen the youth of America, and contribute to an expanding America as we build a better Nation.

Mr. TOWER. I yield 1 minute to the Senator from Maryland.

Mr. BEALL. Mr. President, prior to the passage of S. 2642, the Senate adopted an amendment offered by Senator Young of North Dakota authorizing the Secretary of Agriculture to make indemnity payments to dairy farmers who have been directed to remove their milk from commercial markets because it contained chemical residues. This amendment is similar to one offered by Senator Brewster and myself and can be found in section 331 of the bill.

Before the Senate takes final action on S. 2642, I want to make absolutely clear the intent of the amendment so that there will be no question in the minds of those who will administer the law. Section 331 of S. 2642 seeks to do for the dairy farmer exactly what we did for the cranberry producers 5 years ago. At that time, we authorized indemnity payments for the purpose of making the cranberry growers whole—that is, we compensated them for losses sustained through no fault of their own.

In the case of the dairy farmers, the losses involve not only the milk which was withdrawn from the market but the hay which remains stored in the barns and which cannot be used for feed.

If these farmers are to be indemnified for their actual losses, as provided in section 331, it should be clearly understood that these losses include the fair market value of the hay which cannot be used because of the same chemical residues which resulted in the loss of the milk. In this way, the dairy farmers will be equitably compensated as intended by the language of section 331.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Vermont.

Mr. PROUTY. Mr. President, I shall vote in support of the motion to concur in the House amendment, but with serious reservations. The House has tightened the bill considerably, by making it virtually impossible for the Federal Government or the Director of the program to circumvent State officials. This I think is most important and timely.

I feel, however, that political considerations have been a major concern in pushing the so-called war against poverty bill. I wish to quote briefly from the Roland Evans-Robert Novak report, which was published in this morning's Washington Post:

When the antipoverty bill sailed through the House last Saturday in President Johnson's greatest legislative triumph, a good many Democratic Congressmen did not join in the jubilation.

The truth is that they doubt that the bill, an expensive grab bag of new and old spending programs, will prove an effective battle plan against poverty. Many Democrats supported it only out of election-year loyalty to the President.

Further in the article, they say:

Mr. Johnson used all his business friends, including such personages as the president of the Pennsylvania Railroad, to put the heat on Republicans.

One liberal Republican Congressman, who regards the bill as a hopeless hodgepodge, was pressured by calls from Republican industrialists and newspaper editors in his district. None of them had the slightest idea what was in the bill, but all urged his support.

Then, later in the article:

Mr. Johnson had an understandable desire to push through Congress one major bill that had his own, not John F. Kennedy's, imprint. Above all the other bills, this was "must" legislation. It was this desire that led to the hasty assembling of the poverty package last winter despite grave misgivings within the Cabinet. In turn, it had led to a crisis atmosphere at the White House last week that had nothing to do with Vietnam, the roughest White House lobbying since the Rules Committee fight of 1961.

Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THE YARMOLINSKY SACRIFICE

(By Rowland Evans and Robert Novak)

When the antipoverty bill sailed through the House last Saturday in President Johnson's greatest legislative triumph, a good many Democratic Congressmen did not join in the jubilation.

The truth is that they doubt that the bill, an expensive grabbag of new and old spending programs, will prove an effective battle plan against poverty. Many Democrats supported it only out of election-year loyalty to the President.

What really rankled the liberal Democrats in the House, however, was the price that Mr. Johnson thought necessary to pay for the bill. To get support from conservative southerners, he practiced human sacrifice.

The sacrificial victim was Adam Yarmolinsky, a dynamic administration trouble-shooter who was chief midwife in the hurried birth of the poverty program. Contrary to the President's claim at his Saturday news conference that Yarmolinsky never left his duties as a Defense Department administrator, he actually joined the poverty task force months ago and was scheduled to be Deputy Director of the program after the bill passed. In fact, he no longer has an office at the Pentagon.

Yarmolinsky, who has the misfortune of looking like the anarchist bomb thrower in old political cartoons, is the subject of constant vilification by Gen. Edwin Walker, John Birch zealots, and the fright peddlers. Charges of disloyalty are, of course, absurd. He has a public record of anticommunism and helped clear the Reds out of the American Veterans' Committee after the war.

The announcement that Yarmolinsky was being sacrificed came on the House floor. Representative Phil M. Landrum, of Georgia, floor manager of the poverty bill, declared that Yarmolinsky would have no part in administering the poverty program.

No sooner had Landrum taken his seat than a liberal Representative, surprised and infuriated, rushed up to ask what authority he had for this pledge. Landrum's reply: the authority came from President Johnson himself.

That night, indignant liberals who were the bill's strongest supporters met in the office of Representative James G. O'Hara, of Michigan. They could do nothing to save Yarmolinsky at that stage. In their impotence, they sent an ultimatum to the White House warning that they would tolerate no more such concessions.

Though it all came as a surprise to liberals, southerners—particularly the North Carolina delegation—had been demanding Yarmolinsky's scalp as the price of voting for the bill. R. Sargent Shriver, the antipoverty chief, resisted to the end. He was overruled by President Johnson after top House leaders warned him: Yarmolinsky or the bill; take your choice.

Ironically, the sacrifice was not necessary. By adopting amendments satisfying the conservative bloc headed by Representative John P. Saylor, Republican, of Pennsylvania, the number of Republicans backing the bill climbed from 5 to 22. Moreover, Mr. Johnson used all his businessman friends, including such personages as the president of the Pennsylvania Railroad, to put the heat on Republicans.

One liberal Republican Congressman, who regards the bill as a hopeless hodgepodge, was pressured by calls from Republican industrialists and newspaper editors in his district. None of them had the slightest idea what was in the bill, but all urged his support. Deciding discretion was the better part of valor, he ended up by voting for it.

But the Yarmolinsky sacrifice was a natural culmination of the frenzied manner in which the poverty bill had been pushed from the beginning. Mr. Johnson had an understandable desire to push through Congress one major bill that had his own, not John F. Kennedy's, imprint. Above all the other bills, this was "must" legislation.

It was this desire that led to the hasty assembling of the poverty package last winter despite grave misgivings within the Cabinet. In turn, it had led to a crisis atmosphere at the White House last week that had nothing to do with Vietnam, the roughest White House lobbying since the Rules Committee fight of 1961, and—finally—the sacrifice of Adam Yarmolinsky.

Mr. PROUTY. Mr. President, as I said earlier, I have serious reservations about the bill because I believe there is as much politics in it as there are considerations for eliminating poverty throughout the Nation.

I say politics because an examination of the bill reveals that while it speaks often of "low-income families," it does not very closely relate to the causes of poverty. Nor is it an attempt to alleviate those conditions which prior congressional studies have shown to be those toward which an antipoverty program should be directed.

The bill does not regard the nature of America's poor in its effort to be helpful. It is not particularly related to the families with a female head of household.

It does not concern itself noticeably with the aged poor.

It passes lightly over deficiencies in education of the poor—a major problem of any poor family.

In short, attacking the causes of poverty is almost incidental to the present bill.



Poverty is not a seasonal difficulty experienced by a few during an election year.

Antipoverty legislation which must sacrifice substance to seasonal necessity will cause more problems than it will solve. When seasonal necessity is not of primary importance to the administration, perhaps we may be able to enact appropriate antipoverty legislation.

Mr. President, some of the programs involved in the Economic Opportunity Act of 1964 are already in effect. I have supported them in the past; I support them now. For that reason, I shall support the House version of the bill.

Mr. TOWER. Mr. President, I yield myself 2 minutes.

We are making legislative history with respect to the loyalty oath. In the bill as it came from the House, this amendment appears toward the conclusion of the bill, under the appropriations section. Section 615 refers to programs. Section 616 provides, in part:

No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments—

Unless a loyalty oath has been filed. My interpretation of that language is that it excludes only loans and grants to institutions. Any loan or grant made to an individual comes within the purview of this amendment.

Mr. McNAMARA. Mr. President, I yield 1 minute to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, as a member of the Committee on Labor and Public Welfare, serving with the distinguished Senator from Michigan [Mr. McNAMARA] and the distinguished Senator from West Virginia [Mr. RANDOLPH], I have said for many years that the greatest economic threat that confronts this country is the ever-deepening and ever-widening pool of unemployable people. That is quite a different thing from unemployment, for people who are unemployed can generally hold jobs if jobs can be found for them to fill.

Increasing thousands of people in this country cannot hold jobs because they have never been trained to hold jobs. It is necessary for us to drain this pool of unemployability if we are not to drown the economic potential and economic lives of increasing thousands of the next generations of Americans.

If the bill did no more than to further the attempt to drain the pool of unemployability, it would be worth every dollar put into the program. I shall vote for the bill because, at long last, it is a recognition on the part of Congress that we must do something to assist the increasing thousands of young misfits in our country.

Mr. TOWER. Mr. President, I yield myself 1 minute.

I commend the Senator from Oregon [Mr. MORSE] for injecting the term "unemployability" into the discussion. Certainly, this is a program apart from unemployment. Unemployability aggravates unemployment.

If I believed for one moment that the bill would contribute anything toward

mitigating or ameliorating or in any other way improving the situation of unemployability to the extent that some of the jobs that are now going begging could be filled, I would support the bill. But I cannot do so. Therefore, I am sorry that the Senate sees fit to pass legislation of this kind.

Mr. McNAMARA. Mr. President, I yield 1 minute to the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, to supplement what I said earlier, because the Senators from Texas [Mr. YARBOROUGH] and Oregon [Mr. MORSE] have touched on important education-employment facets of the bill. There are some Senators who feel that this approach is not a frontal attack; that it is a timid approach. But, as stated, it is, in essence, a beginning. We must move forward with this legislation, for there is a challenge to lift the level of the other America—the one not affluent but one of need.

I did not vote for every amendment the Senator from Oregon has offered to the foreign assistance bill. We expend, however, billions of dollars for foreign aid and billions of dollars for the space programs. Let this Congress place equal emphasis on this good earth—this space where humanity stands. Yet now, as we come to ask, in essence, for a billion dollars to strengthen the human resources of the country, there is a hue and cry, "We cannot do it." We can and we will do it, in part, in the passage of this proposal. President Lyndon B. Johnson is eager to sign the bill into law. Let us send it to the White House, and hasten the day when the benefits will begin for thousands of Americans.

Mr. McNAMARA. Mr. President, I yield the remainder of the time on this side to the distinguished Senator from Minnesota, the majority whip [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Michigan has 16 minutes remaining.

Mr. HUMPHREY. Mr. President, I invite the attention of the distinguished Senator from New York to what I am about to say. He had expressed concern about two amendments offered in the House by Representative JOHN BELL WILLIAMS. Has the Senator a copy of the Attorney General's letter?

Mr. JAVITS. I do not have it before me, but I have read it carefully. I suggest that before we start our colloquy, the Senator from Michigan place the opinion in the RECORD.

Mr. McNAMARA. Mr. President I ask unanimous consent to have printed at this point in the RECORD the letter sent to me by Assistant Attorney General Norbert A. Schlei.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,  
Washington, D.C.

Senator PATRICK V. McNAMARA,  
The U.S. Senate,  
Washington, D.C.

DEAR SENATOR McNAMARA: This is in response to your request for our views as to the

scope of the amendments to the Economic Opportunity Act of 1964 offered by Congressman JOHN BELL WILLIAMS and adopted by the House on August 7.

The first of the two amendments would require each enrollee in the Job Corps to do two things: (1) Execute an affidavit that he does not believe in, and is not a member of any organization that believes in, the overthrow of the United States by force or violence or by any illegal or unconstitutional methods, and (2) take an oath of loyalty to the United States. This amendment is applicable only to "enrollees" as that term is defined in section 104 of the bill, and presents no problem of interpretation.

The second amendment adds to the act a new section 616 reading as follows: "No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments to any individual unless such individual has executed and filed with the Director an affidavit" of the type referred to in the first of the two amendments.

In proposing the two amendments, Congressman WILLIAMS made statements indicating that their purpose was limited to the Job Corps program. The amendments, he said, "are designed to obviate insofar as possible Communist and other subversive infiltration of these camps that we will set up if this legislation is approved." The language of the second amendment does not appear on its face to be so limited.

However, analysis of it indicates that its only legally indisputable application is to Job Corps enrollees, although it may also be applicable to VISTA volunteers and consultants retained by the Director.

Congressman WILLIAMS also stated that the two amendments in question "were drafted in line with the language that is presently contained in the National Science Foundation Act." The fact is that the National Science Foundation Act no longer contains any provision for a disclaimer affidavit, having been amended on October 16, 1962, to eliminate this requirement (76 Stat. 1069, 1070). It is, however, true that the amendments offered by Congressman WILLIAMS were very similar to the original provisions of section 15(d) of the National Science Foundation Act of 1950 (64 Stat. 146), and section 1001(f) of the National Defense Education Act of 1958 (72 Stat. 1602). Accordingly, although these precise provisions are no longer contained in the law, interpretations of them are highly persuasive as to the proper construction of the Williams amendments.

The precedents with respect to provisions of this type make it plain that the prohibition upon the use of funds contained in section 616 should be construed as applicable only to payments made directly to an individual by the United States. This interpretation follows those made by the Comptroller General with respect to similar clauses in appropriation acts in the 1940's and early 1950's. (See 28 Comp. Gen. 54 (1948), 26 Comp. Gen. 111 (1946).) It also follows interpretations of such clauses made by the Federal Security Administration and the Department of Agriculture beginning as early as 1945. Section 1001(f) of the National Defense Education Act was so interpreted by the Department of Health, Education, and Welfare.

It is equally plain that section 616 has no application to loans made by the United States to individuals. This conclusion is based upon the interpretation Congress evidenced during its consideration of section 1001(f) of the National Defense Education Act, where "payments" were specifically distinguished from "loans." (See 104 CONGRESSIONAL RECORD, 17320 (1958).)

It has not been possible for us to formulate a firm view, in the time available, as to whether section 616 would apply to pay-



ments by the United States to individuals for personal services. There is authority for the proposition that provisions such as section 616 apply only to persons receiving benefit payments. So far as regular Government employees are concerned, requirements similar to those imposed by section 616 are already in effect (5 U.S.C. 118p-118r). There are, however, arguments that would support extension of the requirements of section 616 to the VISTA volunteer program and to consultants receiving payments for services under the act who are not regular Government employees. It is also our tentative view that section 616 would apply to indemnity payments made to farmers under title III, part D.

Finally, I should point out that the amendment would apply only to payments made to individuals and not to payments made to other regular legal entities such as a State, a local public agency, an institution of higher education, another nonprofit organization, or a business corporation.

Sincerely,

NORBERT A. SCHLEI,  
Assistant Attorney General,  
Office of Legal Counsel.

Mr. JAVITS. Mr. President, as I understand it, the letter of the Attorney General consists of an opinion upon the meaning which will be given by the administration to the House amendments with respect to a loyalty oath. I emphasize the words "meaning which will be given": it will determine exactly how the executive department will administer these particular provisions of the law, assuming that the President signs it. The loyalty oath requirement will be applied only to three categories. The first are the enrollees in the Job Corps. There is no question that they will have to sign loyalty oaths and declare that they are not members of any organization which seeks to overthrow the Government by force.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HUMPHREY. Under the Job Corps provisions of the bill, there was such an amendment to that specific portion of the bill.

Mr. JAVITS. Exactly. I point out, too, as a part of the legislative history, that volunteers in the Peace Corps are required by section 5(j) of that act to declare their allegiance and to make affirmation or take an oath disclaiming membership in any organization designed to overthrow the Government by force, just as any Government employee is required to do. So we are not making any sharp difference between the Peace Corps, which operates overseas, and the Job Corps, which will operate within the United States.

The second category which the Attorney General says will be covered consists of persons who would directly profit from the appropriated funds as individuals. This would include a consultant, for example, who might receive \$75 a day, if he were hired by the Director.

But the provision would expressly exclude, says the Attorney General, a beneficiary of a program, such as a community program, a work study program, an adult education program, or any other kind of program, who would receive benefits indirectly through a Gov-

ernment organization or a private organization, or a combination of both. The provision would not apply to such an individual. But it would apply only to an individual, like a consultant, who receives some benefit directly from appropriated funds. That would also include a few employees who would administer this particular statute. But, of course, they would take the oath as Government employees even apart from this provision. So the provision, limited to these categories, ceases to be a material objection.

A third possible category, says the Attorney General, may be members of the new corps called VISTA. That is the domestic—

Mr. HUMPHREY. Volunteers.

Mr. JAVITS. They are going to serve beyond the line of normal duty—in mental institutions, for example. There may be some question of interpretation, but again we are dealing here with a super Peace Corps, so I do not believe that becomes a material objection.

As a part of that third category also, the Attorney General raises the question of farmers who might receive a direct benefit under the special indemnity program included in the bill regarding milk which may have become contaminated. The Senator from Minnesota assures me—and this should be made clear in the RECORD—that such payments are within the power of the Secretary of Agriculture to make through cooperatives or other organizations.

If so made, they would then fall within the other parts of the Attorney General's opinion, like poverty clients, or those who might receive an indirect benefit from the antipoverty program. They, too, would then not have to execute a loyalty oath.

That is the scheme of the proposed legislation as spelled out in the Attorney General's letter. I state that authoritatively on the record for myself. Undoubtedly that will be in the mind of every Senator voting for this motion, and is the interpretation on which—as a condition precedent—I, and I believe other Senators, will be casting their votes for the motion.

If the Senator in charge of the bill, the Senator from Minnesota [Mr. HUMPHREY] would confirm that, I believe it would determine the question of legislative history.

Mr. HUMPHREY. Let me say to the Senator from New York that his interpretation of the letter, which within itself is a rather explicit document, is also my understanding and my interpretation—also that of the Senator from Michigan. We went over the letter very carefully. The Senator from Texas made it clear, so that the RECORD may be abundantly clear, that where there are loans as provided under the terms of the act, or grants to institutions, as the Senator from New York has mentioned, these are not covered by the so-called affidavits or the loyalty oath.

With that understanding, it seems to me that we have a rather good interpretation of the application of these two particular amendments.

I note for the RECORD that the sponsor of the amendments constantly referred to the National Defense Education Act as a guideline for the provisions of the act. The National Science Foundation Act was modified or amended, I believe in 1962, to repeal the so-called Communist disclaimer provision, but it also included the pledge of loyalty to the Government of the United States.

Mr. JAVITS. It also included tight provisions with respect to deception and actual membership in organization devoted to the overthrow of the Government.

Mr. HUMPHREY. The Senator is correct. So we have a guideline, having made reference already to the National Defense Education Act and the National Science Foundation Act, prior to 1962, so that we may be clear on the interpretation which was given to the letter by the Senator from New York and the letter itself. I believe that we have spelled out as accurately as we can the explanation of this particular provision and the two amendments that were added in the House on August 7.

The amendments relating to the job corps, and the amendments relating, I believe, to section 616, were added in reference to the entire bill.

Mr. JAVITS. I ask the Senator from Minnesota [Mr. HUMPHREY], as the deputy majority leader, if we may assume that for the purposes of this colloquy the Senator from Minnesota is the Senator in charge of the bill?

Mr. HUMPHREY. The Senator is correct—in this particular instance, and in this particular effort to interpret the letter.

Mr. JAVITS. One further point. Notwithstanding the situation which occurred in the Senate, there is now tight State control on each of these programs. A State may veto any one of the programs, whether it deals with a governmental subdivision or a private agency. I believe that is probably going further than we should have gone. We should give the State power to take over the program but not allow the State to bar it. This would give assurance of a measure of State control—to those who are concerned lest the program might get out of hand in terms developing into a Federal bureaucracy.

I am prepared to support the motion.

Mr. HUMPHREY. I wish to include my participation in this discussion by stating that I was particularly pleased to see that the Youth Conservation Corps identification was made in the bill as amended in the House by the amendment offered by Representative SAYLOR, of Pennsylvania. I feel that this will add to the direction of the program. It is a matter which has been close to my heart for many years.

I join the Senator from Oregon in his comments and those of the Senator from Texas with reference to the problem of unemployment. I am convinced that the program may not be the total answer. As President Johnson stated, it is a good beginning; but our task in Congress is to make beginnings. These statutes do not always answer all of the needs of the



American community but they do set forth some guidelines which provide the standards by which we can offer some assistance. They tend both to accelerate and coordinate the efforts of Federal, State, and local governments—and in this instance, also, large private or voluntary organizations.

Frankly, one of the salutary effects of the bill, and one of its most encouraging aspects, is the fact that in the proposed legislation not only is the role of the Federal Government spelled out; not only are State and local governments included in terms of coordination and cooperation; but also there is involved the great force of the American community; namely, voluntary organizations. I have the feeling that this kind of advance and proposal will produce good beginnings and substantial results.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield for just one more question?

Mr. HUMPHREY. I yield.

Mr. JAVITS. As the Senator from Vermont and the Senator from Texas have stated, there are political overtones in the season chosen for the bill.

I express the hope—as one Senator who supported the bill throughout that in its administration, the greatest consideration will be given to bipartisanship. The Republicans joined in passing the bill and in bringing in the voluntary organizations, the American business community, and so forth. Every effort was made to rid the bill of a political tag.

We understand the season and we understand the motivation, but I believe that a great deal can be done in the administration to rid the bill of any such implications as have been imputed to it.

Mr. HUMPHREY. I thank the Senator from New York for his cooperation.

Mr. McNAMARA. Mr. President, I yield 1 minute to the Senator from Montana [Mr. MANSFIELD].

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized for 1 minute.

Mr. MANSFIELD. Mr. President, I should like to add my comments to those which have already been expressed.

I pay tribute to the chairman of the subcommittee, the Senator from Michigan [Mr. McNAMARA], to the Senator in charge of the bill, the Senator from Minnesota [Mr. HUMPHREY], to the Senator from New York [Mr. JAVITS] who has played such an active part in the bill, to the Senator from West Virginia [Mr. RANDOLPH] who has worked so hard, as well as the Senator from Oregon, and all other Senators who have had a part in bringing this bill to the floor of the Senate at this happy moment.

Mr. President, I cannot let this occasion pass without paying tribute to the role played by the junior Senator from New Jersey [Mr. WILLIAMS], in the formulation of many of the pioneering aspects of this program.

For years the champion of the poorest of America's poor, her migrant farm laborers, the Senator from New Jersey [Mr. WILLIAMS] now enjoys the hard-earned satisfaction of seeing much of what he has so long fought for translated

into law. For in this poverty bill today are provisions for sanitation, day care, education and housing for our migrants and their children. His years of work as chairman of the Senate's Subcommittee on Migratory Labor have now achieved a success for which we can all be thankful.

Also in this bill is a provision enabling Americans to serve in the war against poverty at home, as they have done so well in the Peace Corps in the struggle against disease and ignorance abroad. Senators will recognize this concept as that of the National Service Corps which the Senator from New Jersey [Mr. WILLIAMS] guided to successful passage in this body a year ago this month.

Finally, the skillful and compassionate efforts of the junior Senator from New Jersey may be seen in the work-study section of the bill. S. 2594, the High School Dropout Act of 1964, introduced by him in March, contains many of the provisions now in the poverty bill.

In sum, Mr. President, service in the war on poverty is not a new undertaking for the Senator from New Jersey [Mr. WILLIAMS]. He is already an experienced veteran.

I also extend my thanks for the cooperation given by the distinguished Senator from Texas [Mr. TOWER] in making it possible to bring this bill before the Senate at this time, under these circumstances.

Mr. McNAMARA. Mr. President, I thank the majority leader.

Mr. President, I have no further requests for time on this side, and am prepared to yield back the remainder of my time, if the Senator from Texas is willing to yield back his time.

Mr. President, I yield back the remainder of my time.

Mr. TOWER. Mr. President, I have no further request for time. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The question is on agreeing to the motion of the Senator from Michigan [Mr. McNAMARA] to concur in the House amendment to S. 2642.

The motion was agreed to.

Mr. HUMPHREY. Mr. President, I move that the vote by which the motion was agreed to be reconsidered.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### MUTUAL-AID PLAN FOR FIRE PROTECTION BY DISTRICT OF COLUMBIA AND CERTAIN ADJACENT COMMUNITIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1302, H.R. 5044.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 5044) to amend the act entitled "An Act to provide for a mutual-aid plan for

fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes."

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1366), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### REPORT [TO ACCOMPANY H.R. 5044]

The Committee on the District of Columbia, to whom was referred the bill (H.R. 5044) to amend the act entitled "An act to provide for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes," having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to require that all parties to mutual-aid firefighting agreements indemnify each other from all claims arising from the operations of firefighters outside their own jurisdiction.

Legislation authorizing the District of Columbia to enter into mutual-aid firefighting agreements with appropriate governmental units in Maryland and Virginia was enacted in 1950 (64 Stat. 441). This legislation provides that each of the parties to such an agreement shall waive all claims against the other parties thereto which may arise out of their activities outside their respective jurisdictions under the agreement.

Despite this legislative authority, however, no agreements have yet been entered into between the District of Columbia and any of the specified adjacent communities in Maryland and Virginia. The difficulty encountered in attempts to draft such agreements has been the question of liability of the various jurisdictions for damage resulting from the operations of the various fire companies outside of their own jurisdictions. It is questionable whether the District of Columbia might successfully invoke the defense of governmental function in cases of alleged negligence of District firemen while operating outside the District of Columbia; and similarly, adjacent communities might also be held liable for damages resulting from the operations of their fire companies in the District of Columbia.

On August 3, 1964, the Subcommittee on Public Health, Education, Welfare, and Safety held public hearings in connection with H.R. 5044. At these hearings a representative of the Board of Commissioners for the District of Columbia expressed the Board's desire to enter into these aid agreements with adjacent communities for the mutual benefit of all concerned, and strongly urged enactment of this legislation which should remove the existing obstacle to such agreements among the interested parties. Undoubtedly, the enactment of this legislation by the Congress will do much to spur similar legislation in Maryland and Virginia to authorize the specified adjacent communities to indemnify the District of Columbia from claims arising from the operations of District firefighters in coming to their aid in emergencies.

Also at the public hearings, the Chief of the District of Columbia Fire Department testified in favor of the bill as did a repre-









Public Law 88-452  
88th Congress, S. 2642  
August 20, 1964

An Act

78 STAT. 508.

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Economic Opportunity Act of 1964".

Economic Opportunity Act of 1964.

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

TITLE I—YOUTH PROGRAMS

PART A—JOB CORPS

STATEMENT OF PURPOSE

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

ESTABLISHMENT OF JOB CORPS

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

JOB CORPS PROGRAM

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs

Conservation camps.



planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities;

Education and vocational training.

(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

Work experience.

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

Health services.

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

Selection of enrollees.

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

#### COMPOSITION OF THE CORPS

Eligibility.

SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.).

62 Stat. 604;  
65 Stat. 75.

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

Affidavit.

(d) Each enrollee must execute and file with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods, and (2) each enrollee must take and subscribe to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic." The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits.

Loyalty oath.

62 Stat. 749.

#### ALLOWANCE AND MAINTENANCE

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however,* That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

Termination of  
enrollment.  
Readjustment  
allowance.

Post, p. 532.

64 Stat. 395.

#### APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

Federal employ-  
ment laws, non-  
applicability.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

68A Stat. 3.  
53 Stat. 1362.

(c)(1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

39 Stat. 742;  
63 Stat. 854;  
74 Stat. 906.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee—

(i) while on authorized leave or pass; or

(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1)) shall apply to enrollees.

Ante, p. 400.  
63 Stat. 859.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

28 USC 2671-  
2680.

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.



POLITICAL DISCRIMINATION AND POLITICAL ACTIVITY

SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates. Any officer, employee, enrollee or Federal employee who solicits funds for political purposes from members of the Corps, shall be in violation of the Corrupt Practices Act.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

STATE-OPERATED YOUTH CAMPS

SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

REQUIREMENT FOR STATE APPROVAL OF CONSERVATION CAMPS AND TRAINING CENTERS

SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

SEC. 110. Within the Job Corps there is authorized a Youth Conservation Corps in which at any one time no less than 40 per centum of the enrollees under this part shall be assigned to camps where their work activity is directed primarily toward conserving, developing, and managing the public natural resources of the Nation, and developing, managing, and protecting public recreational areas. Such work activity shall be performed under the direction of members of agencies charged with the responsibility of conserving, developing, and managing the public natural resources and of developing, managing, and protecting public recreational areas.

43 Stat. 1070.  
2 USC 256.  
Corrective  
actions.

Agreements with  
States.

Submission of  
plans.

Youth Conserva-  
tion Corps.

## PART B—WORK-TRAINING PROGRAMS

## STATEMENT OF PURPOSE

SEC. 111. The purpose of this part is to provide useful work experience opportunities for unemployed young men and young women, through participation in State and community work-training programs, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations (other than political parties) will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

Unemployed youth,  
work experience  
opportunities.

## DEVELOPMENT OF PROGRAMS

SEC. 112. In order to carry out the purposes of this part, the Director shall assist and cooperate with State and local agencies and private nonprofit organizations (other than political parties) in developing programs for the employment of young people in State and community activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education provided by local public educational agencies.

Cooperation with  
States.

## FINANCIAL ASSISTANCE

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accordance with such regulations as he may prescribe, that—

Federal pay-  
ments.

(1) enrollees in the program will be employed either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

Conditions.

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable,



the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance.

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

#### ENROLLEES IN PROGRAM

Eligibility.

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

Federal employment laws, non-applicability.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

Testing, counseling, etc.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

#### LIMITATIONS ON FEDERAL ASSISTANCE

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

#### EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State.

#### PART C—WORK-STUDY PROGRAMS

##### STATEMENT OF PURPOSE

Students, part-time employment.

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions.

## ALLOTMENTS TO STATES

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d)(3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallotted by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallotted under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

77 Stat. 366.  
20 USC 713.

Reallotment.

"State."

## GRANTS FOR WORK-STUDY PROGRAMS

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

77 Stat. 376.  
20 USC 751.

## CONDITIONS OF AGREEMENTS

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

Type of employment.

(1) for the institution itself, or

(2) for a public or private nonprofit organization when



the position is obtained through an arrangement between the institution and such an organization and—

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

*Provided, however,* That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

Use of funds. (b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payment to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

Selection of students. (c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

Hours of work. (d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

Additional expenditures. (e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

Federal share of payments. (f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter;

Availability of benefits. (g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

## SOURCES OF MATCHING FUNDS

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

## EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

## PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

## TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

## PART A—GENERAL COMMUNITY ACTION PROGRAMS

## STATEMENT OF PURPOSE

SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

## COMMUNITY ACTION PROGRAMS

SEC. 202. (a) The term "community action program" means a Definition.  
program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (other than a political party), or a combination thereof.

(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.



ALLOTMENTS TO STATES

SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States.

Reallotment.

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallotment from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"State."

(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

FINANCIAL ASSISTANCE FOR DEVELOPMENT OF COMMUNITY ACTION  
PROGRAMS

SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRATION OF COMMUNITY  
ACTION PROGRAMS

SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

(b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system. Restriction.

(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency. Factors determining assistance eligibility.

(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting permanent increase in the capacity of individuals, groups, and communities to deal with their problems without further assistance.

## TECHNICAL ASSISTANCE

SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

## RESEARCH, TRAINING, AND DEMONSTRATIONS

SEC. 207. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of, research, training, and demonstrations pertaining to the purposes



of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

#### LIMITATIONS ON FEDERAL ASSISTANCE

SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

Non-Federal contributions.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

#### PARTICIPATION OF STATE AGENCIES

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

Grant or contract authority.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

Submission of plans.

(c) In carrying out the provisions of title I and title II of this Act, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however,* That this section shall not apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of the approval of this Act.

Private institutions.

(d) No private institution or organization shall be eligible for participation under this part unless it (1) is itself an institution or organization which has, prior to its consideration for such participation, had a concern with problems of poverty, or (2) is sponsored by one or more such institutions or organizations or by a public agency, or (3) is an institution of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963).

77 Stat. 376.  
20 USC 751.

#### EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations;

(4) school dropouts; (5) adults with less than an eighth-grade education; (6) persons rejected for military service; and (7) persons living in urban places compared to the number living in rural places as determined by the Bureau of the Census for the 1960 census.

#### PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

SEC. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

#### PART B—ADULT BASIC EDUCATION PROGRAMS

##### DECLARATION OF PURPOSE

SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

##### GRANTS TO STATES

SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to— Use of funds.

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

##### STATE PLANS

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which— Conditions for approval.

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may Reports.



reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

Accounting procedures.

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part (including such funds paid by the State to local educational agencies);

Health services.

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

Programs to eliminate illiteracy.

(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of individuals described in section 212.

Hearing opportunity.

(b) The Director shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

#### ALLOTMENTS

SEC. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

"State."

Reallotment.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallotment from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs

and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

#### PAYMENTS

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

#### OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL REVIEW

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

Noncompliance,  
termination of  
payments.

(1) the State plan has been so changed that it no longer complies with the provisions of section 214, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the

Appeal proced-  
ure.



Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

62 Stat. 928.

#### MISCELLANEOUS

SEC. 218. For purposes of this part—

"State educational agency."

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

"Local educational agency."

(2) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

#### PART C—VOLUNTARY ASSISTANCE PROGRAM FOR NEEDY CHILDREN

##### STATEMENT OF PURPOSE

SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

##### AUTHORITY TO ESTABLISH INFORMATION CENTER

SEC. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

## PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY  
IN RURAL AREAS

## STATEMENT OF PURPOSE

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

## PART A—AUTHORITY TO MAKE GRANTS AND LOANS

SEC. 302. (a) The Director is authorized to make—

(1) loans having a maximum maturity of 15 years and in amounts not exceeding \$2,500 in the aggregate to any low income rural family where, in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

(C) participate in cooperative associations; and/or to finance nonagricultural enterprises which will enable such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

## COOPERATIVE ASSOCIATIONS

SEC. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

## LIMITATIONS ON ASSISTANCE

SEC. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

## LOAN TERMS AND CONDITIONS

SEC. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:



- (a) there is reasonable assurance of repayment of the loan;
- (b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;
- (c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;
- (d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;
- (e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and
- (f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

**PART B—ASSISTANCE FOR MIGRANT, AND OTHER SEASONALLY EMPLOYED, AGRICULTURAL EMPLOYEES AND THEIR FAMILIES**

SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant, and other seasonally employed, agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

**PART C—AUTHORIZATION OF APPROPRIATIONS**

SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sum may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

**PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS**

SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on January 31, 1965.

## TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

### STATEMENT OF PURPOSE

SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources. Small business concerns, assistance.

### LOANS, PARTICIPATIONS, AND GUARANTIES

SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns. 72 Stat. 384.

### COORDINATION WITH COMMUNITY ACTION PROGRAMS

SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

### FINANCING UNDER SMALL BUSINESS ACT

SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)). 76 Stat. 220.

72 Stat. 387;

75 Stat. 167;

Ante, p. 7.

### LOAN TERMS AND CONDITIONS

SEC. 405. Loans made pursuant to section 402 (including immediate participation in and guaranties of such loans) shall have such terms and conditions as the Director shall determine, subject to the following limitations—

- (a) there is reasonable assurance of repayment of the loan;
- (b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;



(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

75 Stat. 47.

#### LIMITATION ON FINANCIAL ASSISTANCE

SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

#### DURATION OF PROGRAM

SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

### TITLE V—WORK EXPERIENCE PROGRAMS

#### STATEMENT OF PURPOSE

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

76 Stat. 23.  
42 USC 2571 note.

77 Stat. 403.  
20 USC 35 note.

#### PAYMENTS FOR EXPERIMENTAL, PILOT, AND DEMONSTRATION PROJECTS

SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1)-(6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

76 Stat. 192.

76 Stat. 186.

## AUTHORIZATION OF APPROPRIATIONS

SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

## TITLE VI—ADMINISTRATION AND COORDINATION

## PART A—ADMINISTRATION

## OFFICE OF ECONOMIC OPPORTUNITY

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

Establishment.  
Appointment  
of Directors.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 133z-3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

Transfer au-  
thority.  
63 Stat. 205.  
Ante, p. 240.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

Compensation.

Ante, p. 416.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

Ante, p. 417.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

Ante, p. 418.

## AUTHORITY OF DIRECTOR

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

Ante, p. 400.

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow

60 Stat. 810.



60 Stat. 808;  
75 Stat. 339,  
340.

them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

70A Stat. 269.

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

74 Stat. 661.

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space

in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

#### VOLUNTEERS IN SERVICE TO AMERICA

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

Recruitment and assignment.

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a) (2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

Pay and allowances.



Federal employ-  
ment laws, non-  
applicability.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a) (2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

#### ECONOMIC OPPORTUNITY COUNCIL

Establishment.

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

Members.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

#### NATIONAL ADVISORY COUNCIL

Establishment.

SEC. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

#### REVOLVING FUND

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall

be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under titles III and IV of this Act.

#### LABOR STANDARDS

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

49 Stat. 1011;  
Ante, p. 238.

5 USC 133z-15  
note.

63 Stat. 108.  
40 USC 276c.

#### REPORTS

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

#### DEFINITIONS

SEC. 609. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

- (1) the spouse or child of an enrollee, and
- (2) any other relative who draws substantial support from the enrollee.

### PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

#### COORDINATION

SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and



(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

Establishment of  
new office, etc.  
Restriction.

(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

#### PREFERENCE TO COMMUNITY ACTION PROGRAMS

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of the Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

#### INFORMATION CENTER

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

#### PROHIBITION OF FEDERAL CONTROL

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

Subversive organ-  
ization member-  
ship.

SEC. 616. No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments to any individual unless such individual has executed

and filed with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods.

## TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

### PUBLIC ASSISTANCE

SEC. 701. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

42 USC 301-306,  
601-609, 1201-  
1206, 1351-1355,  
1381-1385.

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

Approved Aug. 20, 1964.

### LEGISLATIVE HISTORY:

HOUSE REPORT No. 1458 accompanying H. R. 11377 (Comm. on Education & Labor).

SENATE REPORT No. 1218 (Comm. on Labor & Public Welfare).

CONGRESSIONAL RECORD, Vol. 110 (1964):

July 21, 22: Considered in Senate.

July 23: Considered and passed Senate.

Aug. 5, 6, 7: Considered in House.

Aug. 8: Considered and passed House, amended, in lieu of H. R. 11377.

Aug. 11: Senate concurred in House amendment.



and said: "Have

and said: "Have







1900-1901











Calendar No. 1111

88TH CONGRESS  
2D SESSION

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 21, 1964

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. YOUNG of North Dakota to the committee amendment to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

1 On page 82, line 14, before "this title", insert "parts A  
2 and B of".

3 On page 88, line 3, before "this title", insert "parts  
4 A and B of".

5 On page 88, line 5, before "this title", insert "parts  
6 A and B of".

7 On page 88, between lines 13 and 14, insert the fol-  
8 lowing:

9 "PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS

10 "SEC. 331. (a) The Secretary of Agriculture is author-  
11 ized and directed to indemnify dairy farmers for losses here-



1 tofore or hereafter sustained by them by reason of the adulter-  
2 ation of their milk by economic poisons registered with the  
3 Secretary under the Federal Insecticide, Fungicide, and Ro-  
4 denticide Act, unless the evidence shows that such poisons  
5 were not used in accordance with the labeling accompanying  
6 them. The indemnity for milk which is rendered totally un-  
7 usable by reason of such adulteration shall be not less than  
8 the support price which would otherwise have applied to  
9 such milk. This section shall not be applicable to losses sus-  
10 tained prior to January 1, 1964. Each claim for indemnity  
11 shall be supported by a statement by the applicant setting  
12 forth such facts as he may have as to the manner in which  
13 the poison was applied.

14 “(b) There is hereby authorized to be appropriated such  
15 sums as may be necessary to carry out the purposes of this  
16 section.”





**Amdt. No. 1120**

**Calendar No. 1111**

**88TH CONGRESS  
2d Session**

**S. 2642**

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# **AMENDMENTS**

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Intended to be proposed by Mr. YOUNG of North  
Dakota to the committee amendment to  
S. 2642, a bill to mobilize the human and  
financial resources of the Nation to combat  
poverty in the United States.

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**JULY 21, 1964**

Ordered to lie on the table and to be printed

# S. 2642

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## IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. PEARSON to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz: On page 64, beginning with line 21, strike out all through line 25 on page 72 and insert in lieu thereof the following:

1     PART A—GENERAL COMMUNITY ACTION PROGRAMS

2                     STATEMENT OF PURPOSE

3         SEC. 201. It is the purpose of this part to provide assist-  
4     ance to the States in developing and carrying out programs  
5     to provide stimulation and incentive for urban and rural com-  
6     munities to mobilize their resources to combat poverty  
7     through community action programs.

8         SEC. 202. (a) The term "community action program"  
9     means a program—

10             (1) which mobilizes and utilizes resources, public



1 or private of any urban or rural, or combined urban and  
2 rural, geographical area (referred to in this part as a  
3 "community"), including but not limited to a State,  
4 metropolitan area, county, city, town, multicity unit,  
5 or multicounty unit in an attack on poverty;

6 (2) which provides services, assistance, and other  
7 activities of sufficient scope and size to give promise of  
8 progress toward elimination of poverty or a cause or  
9 causes of poverty through developing employment op-  
10 portunities, improving human performance, motivation,  
11 and productivity, or bettering the conditions under which  
12 people live, learn, and work;

13 (3) which is developed, conducted, or administered  
14 with the maximum feasible participation of residents of  
15 the area and members of the groups served; and

16 (4) which is conducted, administered, or coordi-  
17 nated by a public or private nonprofit agency, or a com-  
18 bination thereof, with maximum feasible participation  
19 of public agencies and private nonprofit organizations  
20 primarily concerned with the community's problems of  
21 poverty.

22 (b) The Director is authorized to prescribe such addi-  
23 tional criteria for programs carried on pursuant to State  
24 plans approved under this part as he shall deem appropriate.

## STATE ECONOMIC OPPORTUNITY AGENCY

SEC. 203. For the purposes of this part, the term "State economic opportunity agency" means the State agency or officer primarily responsible for the State supervision of economic opportunities, or, if there is no such agency or officer, the agency or officer designated for the purposes of this part by the Governor or by State law.

## STATE PLANS

SEC. 204. (a) The Director shall approve for the purposes of this part the plan of a State which—

(1) provides for community action programs to be carried out within such State within such fields as will most effectively carry out the purposes of this part, including employment, job training, and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families;

(2) provides proper consideration in selecting communities wherein programs are to be carried out of the incidence of poverty within such communities and within the groups to be affected by such program, and in determining such incidence provides for proper consideration to such factors as: The concentration of low-



1 income families, particularly those with children; the  
2 extent of persistent unemployment and underemploy-  
3 ment; the number and proportion of persons receiving  
4 cash or other assistance on a needs basis from public  
5 agencies or private organizations; the number of migrant  
6 or transient low-income families; school dropout rates,  
7 military service rejection rates, and other evidences of  
8 low educational attainment; the incidence of disease, dis-  
9 ability, and infant mortality; housing conditions; ade-  
10 quacy of community facilities and services; and the  
11 incidence of crime and juvenile delinquency;

12 (3) provides special consideration for projects  
13 which give promise of effecting a permanent increase  
14 in the capacity of individuals, groups, and communities  
15 to deal with their problems without further assistance;

16 (4) provides criteria to achieve an equitable dis-  
17 tribution of assistance under the plan between urban and  
18 rural areas which criteria shall give consideration to  
19 the relative numbers within the State of (A) low-  
20 income families, particularly those with children;  
21 (B) unemployed persons; (C) persons receiving cash  
22 or other assistance on a needs basis from public agencies  
23 or private organizations; (D) school dropouts; (E)  
24 adults with less than an eighth grade education; and  
25 (F) persons rejected for military service;

1           (5) may provide for technical assistance to com-  
2           munities in developing, conducting, and administering  
3           programs under such plan;

4           (6) may provide training for specialized personnel  
5           needed to develop, conduct, or administer such programs  
6           or to provide services or other assistance under the plan;

7           (7) may provide assistance to institutions of higher  
8           learning, other appropriate public agencies, or to private  
9           nonprofit organizations for the conduct of research, train-  
10          ing, and demonstrations pertaining to carrying out the  
11          plan;

12          (8) provides for the administration of the plan by  
13          the State economic opportunity agency;

14          (9) provides that such agency will make such re-  
15          ports to the Director in such form and containing such  
16          information, as may reasonably be necessary to enable  
17          the Director to perform his duties under this part, and  
18          will keep such records and afford such access thereto as  
19          the Director finds necessary to assure the correctness  
20          and verification of such reports; and

21          (10) provides for such State fiscal control and  
22          sound accounting procedures as may be necessary to  
23          assure proper disbursement of and accounting for Fed-  
24          eral funds paid to the State under this part.



1       (b) No such plan may provide for general aid to ele-  
2       mentary or secondary education in any school or school  
3       system.

4       (c) The Director shall not finally disapprove any State  
5       plan submitted under the provisions of this part, or any  
6       modification thereof, without first affording the State eco-  
7       nomic opportunity agency which submitted such plan rea-  
8       sonable notice and opportunity for a hearing.

9                                   ALLOTMENTS TO STATES

10       SEC. 205. (a) From the sums appropriated to carry  
11       out this title for a fiscal year, the Director shall allocate  
12       such part thereof as he determines necessary to carry out the  
13       provisions of this part. Not to exceed 2 per centum of the  
14       amount so allocated shall be allotted by the Director among  
15       Puerto Rico, Guam, American Samoa, and the Virgin Islands  
16       according to their respective needs for assistance under this  
17       part. Twenty per centum of the amount so allocated shall  
18       be allotted among the States as the Director shall determine.  
19       The remainder of the amount so allocated shall be allotted  
20       among the States as provided in subsection (b).

21       (b) Of the sums being allotted under this subsection—

22               (1) one-third shall be allotted by the Director  
23       among the States so that the allotment to each State  
24       under this clause will be an amount which bears the  
25       same ratio to such one-third as the number of public

1 assistance recipients in such State bears to the total  
2 number of public assistance recipients in all the States;

3 (2) one-third shall be allotted by him among the  
4 States so that the allotment to each State under this  
5 clause will be an amount which bears the same ratio  
6 to such one-third as the annual average number of per-  
7 sons unemployed in such State bears to the annual  
8 average number of persons unemployed in all the States;  
9 and

10 (3) the remaining one-third shall be allotted by  
11 him among the States so that the allotment to each  
12 State under this clause will be an amount which bears  
13 the same ratio to such one-third as the number of  
14 related children under eighteen years of age living in  
15 families with incomes of less than \$1,000 in such State  
16 bears to the number of related children under eighteen  
17 years of age living in families with incomes of less than  
18 \$1,000 in all the States.

19 (c) The portion of any State's allotment under sub-  
20 section (a) for a fiscal year which the Director determines  
21 will not be required for such fiscal year for carrying out the  
22 purposes of this part shall be available for reallocation from  
23 time to time, on such dates during such year as the Director  
24 may fix, to other States in proportion to their original allot-  
25 ments for such year, but with such proportionate amount



1 for any of such other States being reduced to the extent  
2 it exceeds the sum which the Director estimates such State  
3 needs and will be able to use for such year for carrying  
4 out the purposes of this part; and the total of such reduc-  
5 tions shall be similarly reallocated among the States whose  
6 proportionate amounts are not so reduced. Any amount  
7 reallocated to a State under this subsection during a year  
8 shall be deemed part of its allotment under subsection (a)  
9 for such year.

10 (d) For the purposes of this section, the term "State"  
11 does not include Puerto Rico, Guam, American Samoa, and  
12 the Virgin Islands.

13 PAYMENTS

14 SEC. 206. (a) From a State's allotment under section  
15 205, the Federal share of expenditures under its State plan  
16 and in developing such plan shall be paid to such State.  
17 Such payments shall be made in advance on the basis of  
18 estimates by the Director; and may be made in such install-  
19 ments as the Director may determine, after making appro-  
20 priate adjustments to take account of previously made over-  
21 payments or underpayments; except that no such payments  
22 shall be made for any fiscal year unless the Director finds  
23 that the amount available for expenditures for community

1 action programs from State sources for such year will be  
2 not less than the amount expended for such purposes from  
3 such sources during the preceding fiscal year.

4 (b) For the fiscal year ending June 30, 1965, and the  
5 fiscal year ending June 30, 1966, the Federal share for each  
6 State shall be 90 per centum. For the succeeding fiscal  
7 year the Federal share for any State shall be 50 per centum.

8 OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL  
9 REVIEW

10 SEC. 207. (a) Whenever the Director, after reasonable  
11 notice and opportunity for hearing to the State economic  
12 opportunity agency administering a State plan approved  
13 under this part, finds that—

14 (1) the State plan has been so changed that it no  
15 longer complies with the provisions of section 204, or

16 (2) in the administration of the plan there is a  
17 failure to comply substantially with any such provision,  
18 the Director shall notify such State agency that no further  
19 payments will be made to the State under this part (or in  
20 his discretion, that further payments to the State will be  
21 limited to projects under or portions of the State plan not  
22 affected by such failure), until he is satisfied that there will  
23 no longer be any failure to comply. Until he is so satisfied,



1 no further payments may be made to such State under this  
2 part (or payments shall be limited to projects under or por-  
3 tions of the State plan not affected by such failure).

4 (b) A State economic opportunity agency dissatisfied  
5 with the final action of the Director under section 204 or sub-  
6 section (a) of this section may appeal to the United States  
7 court of appeals for the circuit in which the State is located,  
8 by filing a petition with such court within sixty days after  
9 such final action. A copy of the petition shall be forthwith  
10 transmitted by the clerk of the court to the Director, or any  
11 officer designated by him for that purpose. The Director  
12 thereupon shall file in the court the record of the proceedings  
13 on which he based his action, as provided in section 2112  
14 of title 28, United States Code. Upon the filing of such  
15 petition, the court shall have jurisdiction to affirm the action  
16 of the Director or to set it aside, in whole or in part, tempo-  
17 rarily or permanently, but until the filing of the record, the  
18 Director may modify or set aside his order. The findings of  
19 the Director as to the facts, if supported by substantial evi-  
20 dence, shall be conclusive, but the court, for good cause  
21 shown, may remand the case to the Director to take further  
22 evidence, and the Director may thereupon make new or  
23 modified findings of fact and may modify his previous action,  
24 and shall file in the court the record of the further proceed-  
25 ings. Such new or modified findings of fact shall likewise

1 be conclusive if supported by substantial evidence. The  
2 judgment of the court affirming or setting aside, in whole or  
3 in part, any action of the Director shall be final, subject to  
4 review by the Supreme Court of the United States upon cer-  
5 tiorari or certification as provided in section 1254 of title 28,  
6 United States Code. The commencement of proceedings  
7 under this subsection shall not, unless so specifically ordered  
8 by the court, operate as a stay of the Director's action.

9 PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

10 SEC. 208. In determining whether to extend assistance  
11 under this Act, the Director shall, to the extent feasible, give  
12 preference to programs and projects which are components  
13 of a community action program carried on under a State plan  
14 approved pursuant to this part.



**Amdt. No. 1123**

**Calendar No. 1111**

**88TH CONGRESS  
2d Session**

**S. 2642**

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## **AMENDMENT**

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Intended to be proposed by Mr. PEARSON to  
S. 2642, a bill to mobilize the human and  
financial resources of the Nation to combat  
poverty in the United States.

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**JULY 22, 1964**

**Ordered to lie on the table and to be printed**

Calendar No. 1111

88TH CONGRESS  
2D SESSION

# S. 2642

---

IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. KEATING to the bill (S. 2642)  
to mobilize the human and financial resources of the  
Nation to combat poverty in the United States, viz:

1 On page 81, immediately after line 24, insert the fol-  
2 lowing new part:

3 "PART C—VOLUNTARY ASSISTANCE PROGRAM FOR  
4 NEEDY CHILDREN

5 "STATEMENT OF PURPOSE

6 "SEC. 219. The purpose of this part is to allow indi-  
7 vidual Americans to participate in a personal way in the  
8 war on poverty, by voluntarily assisting in the support of  
9 one or more needy children, in a program coordinated with  
10 city or county social welfare agencies.

Amdt. No. 1125



1 "AUTHORITY TO ESTABLISH INFORMATION CENTER

2 "SEC. 220. (a) In order to carry out the purposes of  
3 this part, the Director is authorized to establish a section  
4 within the Office of Economic Opportunity to act as an infor-  
5 mation and coordination center to encourage voluntary as-  
6 sistance for deserving and needy children. Such section shall  
7 collect the names of persons who voluntarily desire to assist  
8 financially such children and shall secure from city or county  
9 social welfare agencies such information concerning deserv-  
10 ing and needy children as the Director shall deem appro-  
11 priate. The section shall devise a model sponsorship program  
12 and shall facilitate coordination between volunteer sponsors  
13 and individual children, but each sponsorship shall be super-  
14 vised by the city or county social welfare agency which  
15 recommended the child.

16 "(b) It is the intent of the Congress that the section  
17 established pursuant to this part shall act solely as an in-  
18 formation and coordination center and that nothing in this  
19 part shall be construed as interfering with the jurisdiction  
20 of State and local welfare agencies with respect to programs  
21 for needy children."

22 On page 82, line 1, strike out "PART C" and insert in  
23 lieu thereof "PART D".





**Amdt. No. 1125**

**Calendar No. 1111**

88TH CONGRESS  
2D Session

**S. 2642**

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## **AMENDMENTS**

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Intended to be proposed by Mr. KEATING to the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

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JULY 22, 1964

Ordered to lie on the table and to be printed

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENTS

Pending by Mr. JAVITS to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

1       On page 108, between lines 21 and 22, insert a new  
2 section as follows:

3       “SEC. 614. (a) In carrying out the provisions of parts  
4 B and C of title I, part A of title II, and part B of title III,  
5 the Director shall establish procedures which shall facilitate  
6 effective participation of the States in programs assisted  
7 under such parts. In pursuance thereof he shall use his best  
8 efforts to develop State plans to carry out the provisions of  
9 such parts and shall utilize State agencies and facilities in  
10 the administration of such parts whenever and wherever  
11 practicable, either at the initiation of programs under such  
12 parts or in the course thereof. Procedures established by the



1 Director shall include provision for the referral of applica  
2 tions for assistance under such parts to the Governor of each  
3 State affected, or his designee, for such comments as he may  
4 deem appropriate in cases not otherwise provided for in this  
5 subsection.

6 “(b) The Director is authorized to make grants to or  
7 to contract with States and appropriate State agencies for  
8 the payment of the expenses of such agencies in performing  
9 their functions under subsection (a) hereof, and for the  
10 purpose of providing technical assistance to State and local  
11 government agencies in developing, conducting, and adminis-  
12 tering programs under the parts of this Act listed in sub-  
13 section (a).”

14 Redesignate sections 614 and 615 as sections 615 and  
15 616, respectively.





**Amdt. No. 1126**

**Calendar No. 1111**

**88TH CONGRESS  
2D Session**

**S. 2642**

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## **AMENDMENTS**

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Pending by Mr. JAVITS to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

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**JULY 22, 1964**

**Ordered to lie on the table and to be printed**

Calendar No. 1111

88TH CONGRESS  
2D SESSION

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. RUSSELL to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

1 On page 105, between lines 10 and 11, insert a new  
2 section as follows:

3 "REQUIREMENT FOR STATE APPROVAL OF ASSISTANCE TO  
4 NONGOVERNMENTAL AGENCIES

5 "SEC. 608. In carrying out the provisions of this Act  
6 no contract or other agreement shall be made with, or grant,  
7 loan, or other assistance provided to, any private nonprofit  
8 or other private institution or organization for the purpose  
9 of carrying out any program, project, or other activity within  
10 a State unless a plan setting forth such proposed contract,  
11 agreement, grant, loan, or other assistance has been sub-

Amdt. No. 1127



1 mitted to the Governor of the State, and such plan has not  
 2 been disapproved by him within thirty days of such  
 3 submission.”

4 On page 105, line 12, strike out “SEC. 608” and insert  
 5 in lieu thereof “SEC. 609”.

6 On page 105, line 18, strike out “SEC. 609” and insert  
 7 in lieu thereof “SEC. 610”.

**Amdt. No. 1127**

**Calendar No. 1111**

**88TH CONGRESS  
2D SESSION**

**S. 2642**

## **AMENDMENTS**

Intended to be proposed by Mr. Russell to  
 S. 2642, a bill to mobilize the human and  
 financial resources of the Nation to combat  
 poverty in the United States.

**JULY 22, 1964**

Ordered to lie on the table and to be printed

88TH CONGRESS  
2D SESSION

Calendar No. 1111

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. YOUNG of North Dakota to  
S. 2642, a bill to mobilize the human and financial resources  
of the Nation to combat poverty in the United States, viz:  
Insert at proper place:

1 That the Secretary of Agriculture is authorized and directed  
2 to make indemnity payments, at a rate not less than the  
3 support price for milk and dairy products, to dairy farmers  
4 who have been directed since January 1, 1964, to remove  
5 their milk from commercial markets because it contained  
6 residues of chemicals registered and approved for use by the  
7 Federal Government at the time of such use. Such indem-  
8 nity payments shall continue to each dairy farmer until he  
9 has been reinstated and is again allowed to dispose of his  
10 milk on commercial markets.

11 SEC. 2. There is hereby authorized to be appropriated



- 1 such sums as may be necessary to carry out the purposes of
- 2 this Act.

**Amdt. No. 1128**

**Calendar No. 1111**

**88TH CONGRESS  
2d Session**

**S. 2642**

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## **AMENDMENT**

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Intended to be proposed by Mr. Young of North  
Dakota to S. 2642, a bill to mobilize the  
human and financial resources of the Nation  
to combat poverty in the United States.

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July 22, 1964

Ordered to lie on the table and to be printed

Calendar No. 1111

88TH CONGRESS  
2D SESSION

**S. 2642**

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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**AMENDMENT**

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. PROUTY to an amendment by Mr. JAVITS to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

- 1       On page 72, line 3, strike out "for such comments as
- 2   he may deem appropriate" and insert in lieu thereof the
- 3   following: "and no such assistance shall be furnished with
- 4   respect to a program or project in any such State without
- 5   the prior approval of the Governor thereof or his designee".

**Amdt. No. 1129**



**Amdt. No. 1129**

**Calendar No. 1111**

**88TH CONGRESS  
2D SESSION**

**S. 2642**

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# **AMENDMENT**

**(IN THE NATURE OF A SUBSTITUTE)**

---

Intended to be proposed by Mr. PROUTY to an amendment by Mr. JAVITS to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

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**JULY 22, 1964**

**Ordered to lie on the table and to be printed**

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

---

## AMENDMENTS

Intended to be proposed by Mr. PROUTY to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

1       On page 82, line 20, strike out the word "Director"  
2   and insert in lieu thereof the words "Administrator of the  
3   Farmers Home Administration (referred to hereinafter in  
4   this title as the 'Administrator')".

5       On page 82, line 22, strike out the word "Director"  
6   and insert in lieu thereof the word "Administrator".

7       On page 84, line 2, strike out the word "Director"  
8   and insert in lieu thereof the word "Administrator".

9       On page 84, line 15, strike out the word "Director"  
10   and insert in lieu thereof the word "Administrator".

11       On page 85, line 5, strike out the word "Director"  
12   and insert in lieu thereof the word "Administrator".



1       On page 85, line 9, strike out the word "Director"  
2       and insert in lieu thereof the word "Administrator".

3       On page 85, line 13, strike out the word "Director"  
4       and insert in lieu thereof the word "Administrator".

5       On page 85, line 19, strike out the word "Director"  
6       and insert in lieu thereof the word "Administrator".

7       On page 86, line 3, strike out the word "Director" and  
8       insert in lieu thereof the word "Administrator".

9       On page 86, lines 13 and 14, strike out the word  
10      "Director" and insert in lieu thereof the word "Adminis-  
11      trator".

12      On page 87, line 5, strike out the word "Director" and  
13      insert in lieu thereof the word "Administrator".

14      On page 87, line 16, strike out the word "Director" and  
15      insert in lieu thereof the word "Administrator".

16      On page 88, line 2, strike out the word "Director" and  
17      insert in lieu thereof the word "Administrator".





**Amdt. No. 1130**

**Calendar No. 1111**

**88TH CONGRESS  
2D SESSION**

**S. 2642**

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## **AMENDMENTS**

---

Intended to be proposed by Mr. PROUTY to  
S. 2642, a bill to mobilize the human and  
financial resources of the Nation to combat  
poverty in the United States.

---

**JULY 22, 1964**

**Ordered to lie on the table and to be printed**

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

---

## AMENDMENTS

Intended to be proposed by Mr. PROUTY to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

1       On page 47, lines 15 and 16, strike out “conservation  
2   camps and”.

3       On page 47, line 18, beginning with the comma strike  
4   out through line 6 on page 48 and insert in lieu thereof a  
5   semicolon.

6       On page 53, between lines 4 and 5, insert the following:

7       “EXCLUSION OF FEDERAL CONSERVATION CAMPS

8       “SEC. 107. The provisions of this part shall not be  
9   deemed to authorize the establishment or operation by any  
10   Federal agency of conservation camps.”

11       On page 53, line 6, strike out “107” and insert in lieu  
12   thereof “108”.



**Amdt. No. 1131**

**Calendar No. 1111**

**88TH CONGRESS  
2D SESSION**

**S. 2642**

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## **AMENDMENTS**

---

Intended to be proposed by Mr. PROUTY to  
S. 2642, a bill to mobilize the human and  
financial resources of the Nation to combat  
poverty in the United States.

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**JULY 22, 1964**

**Ordered to lie on the table and to be printed**

Calendar No. 1111

88TH CONGRESS  
2D SESSION

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. PROUTY to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

1       On page 88, line 23, strike out the word "Director",  
2       and insert in lieu thereof the words "Administrator of the  
3       Small Business Administration (referred to hereinafter in  
4       this title as the 'Administrator')".

5       On page 89, line 11, strike out the word "Director",  
6       and insert in lieu thereof the word "Administrator".

7       On page 89, line 14, strike out the word "Director",  
8       and insert in lieu thereof the word "Administrator".

9       On page 89, line 18, strike out the word "Director"  
10       wherever it appears therein and insert in lieu thereof in  
11       each such instance the word "Administrator".

Amdt. No. 1132



1       On page 89, line 24, strike out the word "Director"  
2   and insert in lieu thereof the word "Administrator".

3       On page 90, line 6, strike out the words "delegated to",  
4   and insert in lieu thereof the words "performed by".

5       On page 90, line 15, strike out the word "Director",  
6   and insert in lieu thereof the word "Administrator".

7       On page 91, line 9, strike out the word "Director",  
8   and insert in lieu thereof the word "Administrator".

9       On page 91, line 21, strike out the word "Director",  
10   and insert in lieu thereof the word "Administrator".

11       On page 92, line 5, strike out the word "Director".  
12   and insert in lieu thereof the word "Administrator".





**Amdt. No. 1132**

**Calendar No. 1111**

**88TH CONGRESS  
2D SESSION**

**S. 2642**

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## **AMENDMENTS**

---

Intended to be proposed by Mr. PROUTY to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

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**JULY 22, 1964**

**Ordered to lie on the table and to be printed**

Calendar No. 1111

88TH CONGRESS  
2D SESSION

# S. 2642

---

IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. PROUTY to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

- 1       On page 72, line 3, strike out “for such comments as
- 2   he may deem appropriate” and insert in lieu thereof the
- 3   following: “and no such assistance shall be furnished with
- 4   respect to a program or project in any such State without
- 5   the prior approval of the Governor thereof or his designee”.

**Amdt. No. 1133**



**Amdt. No. 1133**

**Calendar No. 1111**

**88TH CONGRESS  
2d Session**

**S. 2642**

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## **AMENDMENT**

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Intended to be proposed by Mr. PROUTY to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

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**JULY 22, 1964**

**Ordered to lie on the table and to be printed**

Calendar No. 1111

88TH CONGRESS  
2D SESSION

# S. 2642

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IN THE SENATE OF THE UNITED STATES

JULY 22, 1964

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. PROXMIRE to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States, viz:

- 1 On page 90, line 5, beginning with "Such lending"
- 2 strike out all through "financed" in line 7, and insert in lieu
- 3 thereof the following: "All lending and guaranty functions
- 4 under this title, except for such discretionary authority with
- 5 respect to the determination of cases in which to exercise such
- 6 functions as may be retained by the Director, shall be dele-
- 7 gated to the Small Business Administration, and shall be car-
- 8 ried out by such Administration".

**Amdt. No. 1134**



Amdt. No. 1134

Calendar No. 1111

88TH CONGRESS  
2D SESSION

S. 2642

## AMENDMENT

Intended to be proposed by Mr. PROXMIRE to S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

JULY 22, 1964

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